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WORLD NEWS

Pickets given kiss of life at Orgreave

Violence flared again outside Shefield at the Orgreave coking works, where police said there were up to 4,000 pickets, the most seen so far.

A number of police were injured during an operation to rescue fallen pickets injured as striking miners behind them pressed forward and crushed them. Some had to be given the kiss of life.

Labour Party leader Neil Kinnock condemned in the strongest terms the continued violence on the miners' picket lines. Back Page

Dutch cruise decision

The Dutch coalition government, which has been agonising over the deployment of cruise missiles in the Netherlands, finally agreed a compromise. If there is progress in East-West arms limitation talks, 18 will be sited there. But if the Soviet Union continues to build up its force of SS20 missiles in Eastern Europe, the originally intended cruise quota of 48 would be installed.

Iraqi aircraft shot down
Iran said it shot down an Iraqi aircraft raiding the Tabriz oil refinery, which suffered only minor damage.

Four die in Beirut

Four people died and 40 were wounded in Beirut shelling that followed new Premier Rashid Karami's first appearance before the Lebanon parliament. Page 3

Postage to go up

Postal charges will go up by an average of nearly 5 per cent from September 3. First-class letters will go up 1p to 17p, and second-class by 1p to 13p. Page 3

£14m herring campaign
The Government is backing a £14m campaign to persuade people to eat more herrings now that North Sea fishing has been resumed after a seven-year ban to replenish stocks. Page 3

Glasgow scraps 756 flats
Glasgow Council is to pull down, at a cost of £3m, 756 flats in 12 blocks, which cost £8m more than 12 years ago—rather than accept a £1,000 a dwelling offer from Barratt Housing to take them over and refurbish them.

Prototype crashes

The prototype of the AMX fighter-bomber being developed by Italy and Brazil crashed on a test flight near Turin. The pilot ejected.

Ethiopia joins boycott

Marxist Ethiopia, strong in distance runners, became the first African country to join the boycott of the Los Angeles Olympic Games.

'Cursed' Earl left £2.4m

The two-year-old illegitimate son of the seventh Earl of Craven, who lives with his mother on social security, stands to inherit his father's personal fortune, believed to be more than £750,000. The Earl lived in fear of a curse on male Cravens and shot himself, left a settled estate valued at £2,330,450, but no will.

Her 111th birthday

Britain's oldest person, Mrs Anna Williams, a former cook who lives in an old folks' home at Swansea, will be 111 years old today.

MARKETS

DOLLAR

New York lunchtime \$1.403

London 1.4035 (1.3855)

DM 2.235

Yen 100.05

DM 2.655 (2.732)

FFr 2.223 (3.8375)

SwFr 2.23 (2.26)

Yen 100.05 (23.55)

Trade weighted 130 (131)

Tokyo close Yen 121.45

U.S. LUNCHTIME RATES

Fed Funds 10.75

3-month Treasury Bills 9.76%

Long Bond 9.7%

yield 13.57

GOLD

New York Comex June latest \$397.5

London \$398.75 (\$394.75)

Chief price changes yesterday, Back Page

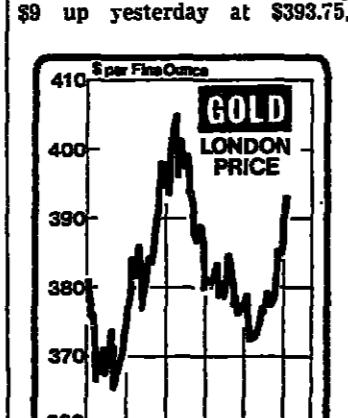
BUSINESS SUMMARY

Esso raises petrol price by 2.3p

ESSO last night increased the price of petrol by 2.3p, taking four-star petrol to 186.4p a gallon. There was no immediate reaction from other companies, but they are expected to follow.

Since the beginning of May conditions in the international spot market have changed, Esso said. The Rotterdam spot price was quoted yesterday at \$285 (203) a tonne, against \$271 on May 1. Page 3

GOLD price continued to improve this week on the London bullion market, closing \$9 up yesterday at \$393.75.



GEC in talks with British Aerospace

BY ALEXANDER NICOLL

ONE OF THE biggest takeover battles in British history loomed yesterday as British Aerospace, the aircraft and weapons manufacturer, received an approach from General Electric Company.

BAe is already in merger talks with Thorn EMI, the electronics group.

A GEC takeover of BAe could mean a bid worth £770m and would create one of Europe's biggest companies, with strong defence and satellite interests.

GEC, the electrical engineering and defence group which is Europe's third largest company by market capitalisation, said it was in contact with BAe "about the possible acquisition of the share capital of the company or some form of collaboration between the two companies."

GEC is believed to have held informal talks with the Government, which holds 48 per cent of BAe, before making its approach.

The announcement boosted both BAe shares, which closed 55p higher at 385p, valuing the company at £770m, and GEC's, which gained 20p to close at 182p, giving it a market value of £4.99bn.

Shares of Thorn EMI, which had fallen after it disclosed its approach to BAe just over two weeks ago, rose 32p yesterday to 565p, valuing the company at £987m.

BAe said it would consider any proposals that might emerge from discussions with either Thorn EMI or GEC. Sir Austin Pearce, BAe chairman, and Lord Weinstein, GEC's chairman, for about an hour yesterday morning.

Later, Sir Austin said: "They've been interested in BAe for some time, and as a result of the Thorn EMI pro-

posal and the Government's statement about it they felt they ought to come in and talk to us."

After Thorn-EMI's talks with BAe had been disclosed, the Government said it would take a neutral view of a possible merger, but would insist on arrangements to prevent the new company from passing out of UK control and on BAe's continued participation in the Airbus programme.

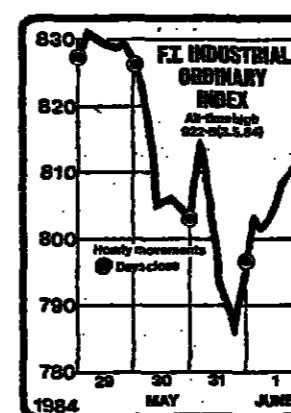
Some civil servants welcomed GEC's announcement, saying a merger with BAe would bring together complementary activities in the satellite and defence areas and strengthen Britain's position in these fields.

Thorn EMI said it expected

"to continue its ongoing discussions with the British Aerospace board in the coming week with view to reaching agreement on terms for a merger, as originally envisaged."

Sir Austin said a meeting had been scheduled for next Thursday between BAe and Thorn EMI to discuss organisational arrangements of any company produced by a merger, as a step towards a concrete pro-

Continued on Back Page



Shares and gilts stage recovery

By Philip Stephens

PRICES OF ordinary shares and gilt-edged stock staged a strong recovery on the London Stock Exchange yesterday as financial markets regained some of their poise at the end of a turbulent week.

The Government took advantage of a new mood of optimism in the gilt market by resuming its funding operations, selling out of the 9.1 per cent 1989 Treasury convertible tap stock issued last month.

Encouraged by improved sentiment on Wall Street and a hope that U.S. interest rates are not moving higher, shares recovered much of the week's earlier losses.

The FT Industrial Ordinary index closed 27.6 points higher at \$24.5, a record daily rise in terms of points. The recovery cut losses over the week to just 4.4 points.

Gilt prices rose by as much as 1.1 points for long-dated stocks and short-dated issues advanced by nearly 4 points.

The authorities are thought to have sold between £300 and £500 of the tap issue, the first official sales for two weeks.

The price of £21.1 per £100 of stock reflected the steep slide in the market in recent weeks, giving investors a yield of 11.3 per cent.

There are also suggestions that some of the new jobs are being taken by school-leavers before they are eligible to appear on the unemployment register.

Government officials have still not identified any clear reason for the apparent paradox between rising employment and higher unemployment there is a number of possible explanations.

The labour force may be growing faster than expected, as people who left it during the depths of economic recession begin to seek work again. This would apply especially to married women, but might also include men who had taken early retirement.

There are also suggestions that some of the new jobs are being taken by school-leavers before they are eligible to appear on the unemployment register.

Some City analysts believe the rise in unemployment points to a temporary slowing in the pace of economic recovery. Consumer spending fell in the first three months of this year, although it picked up sharply in April, and growth in industrial output has also been relatively sluggish.

One bright note in yesterday's figures was a 7,800 rise in the number of vacancies reported to job centres to 155,700.

Map, Page 4

Continued on Back Page

Lloyd's to increase account charges, Page 4

Week in the markets, Page 5

Editorial Comment, Page 18

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Thatcher hints at plans for new round of world trade talks

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

LEADERS OF many of the major countries believe that work should now be started for a new round of world trade talks.

Mrs Margaret Thatcher, the Prime Minister, said yesterday to having declining deficits.

She noted the progress the U.S. Administration was making with its so-called "down payment" measures to cut the \$200bn deficit by some \$150bn over three years. "To me a 'down payment' means by definition that well, that is the first instalment and there is a lot to come later."

The U.S. Administration has hinted strongly that further deficit cutting measures will be taken after the November presidential election, but several summit leaders are likely to press President Reagan now for a much more explicit commitment, in the hope that this will calm the financial markets and curb the rise in interest rates.

Mrs Thatcher said yesterday that the markets also needed to be assured that the major countries were "running their banking systems in a prudent way." There were no ways round these fundamental financial methods.

Earlier, Mrs Thatcher who is attending her sixth successive summit and is this year's host, said that "no dramatic new initiatives" and "certainly no miracles" should be expected from the gathering.

She said one of the major purposes of the summit meeting was for heads of state and government to get to know each other so that they could make contact rapidly in the event of a crisis.

Reactions to the threat to Gulf oil supplies posed by the flare-up of the Iran-Iraq war were an example of how this co-operation could work.

There had been excellent liaison with the U.S. and "more practical consultations on this issue than on anything I can remember," she said.

As a result of these diplomatic talks, "absolute unanimity" had been reached among the major nations and this had helped to contain the conflict.

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OVERSEAS NEWS

Karami call for reform greeted by shelling

By Nore Boustan in Beirut

A STATEMENT by Mr Rafsanjani, Lebanon's new Prime Minister, calling for the withdrawal of Israel, reforms and special powers for his Cabinet was greeted with nightlong shelling and a blunt rejection from Christian militias.

Mr Karami, who made his first appearance before parliament on Thursday to seek approval for his nine-man Cabinet, hopes to secure a vote of confidence next week. The parliamentary debate will not begin before next Tuesday, however, which means it could drag on for days.

Christian and Moslem gunners shelled each other's residential areas just five hours after Mr Karami read his ambitious programme to some 70 Lebanese deputies.

The Lebanese army and Druze fighters of the Progressive Socialist party fought for the first time in six weeks in Souk al Gharb, a mountain stronghold south-east of Beirut.

The army claimed it did not respond to barrages of rocket-propelled grenades fired by the Druze, while the PSP claimed loyalist army soldiers had started the fighting.

The upsurge in the fighting left four dead and 40 wounded.

The Lebanese Forces, an alliance of Christian militias not directly represented in the Cabinet, issued a categoric rejection of Mr Karami's planned programme.

They took issue with his insistence on Lebanon's Arab identity and vowed to continue resisting Syrian Arab domination.

The Lebanese Forces noted that Mr Karami's policy statement reflected "impotence" and described it as "heretic and disappointing."

The Prime Minister's statement, kept under wraps until the Thursday session, was ambivalent on the role of the Lebanese army. He stressed that the Lebanese army would be the only legitimate force and would take over security duties in south Lebanon. But he also said he would keep it out of domestic conflicts.

Mr Karami is adamant about closing down an Israeli liaison office north of Beirut, which the Israelis insist must remain open if Lebanon want to discuss an Israeli withdrawal from the south.

The Premier has ruled out direct talks, while Israel has served notice it would not accept third party mediation in discussions on security arrangements for its northern border.

27 parties to contest Israeli poll

By Our Tel Aviv Correspondent

TWENTY-SEVEN parties, some with only one or two candidates, will be contesting Israel's general election on July 22.

More than 60 groups originally asked for application forms, but some of the more unusual could either not find the necessary deposit of shekels 3m (£1,908) or the 2,500 signatures required to sponsor first-time runners, or both.

Israel's electoral system is one of proportional representation and a party must pick up at least 1 per cent of the national ballot, about 19,000 votes, or forfeit its deposit.

However, in every Knesset seat a party finally gains, the state donates shekels 12.5m to defray electioneering expenses.

Thirteen new parties have emerged, some of them formed by members of the present Knesset, each hoping to gain one or two seats in the 11th Knesset which would be used as bargaining counters in the coalition game which inevitably follows elections in Israel.

The list covers a wide spectrum of special interests, from the Religious Nationalist Women, running apart from the main National Religious Party for the first time, through a Tenants Protection Party, an Organisation of Disabled Israelis, the Movement to Repeal Income Tax, the Courage to Cure the Economy Party, and the Lova Elav for Knesset Party.

Perhaps the most colourful party is that of the veteran Knesset runner, Mr Victor Tzayir. Presenting his personal list on behalf of his Common Man Party, Mr Tzayir proceeded to pay his deposit with tattered notes and thousands of coins. "I don't trust banks," said the Jaffa restaurateur.

10 shot dead in Amritsar battle

AT LEAST 10 people were killed and 21 wounded yesterday in a gunbattle between paramilitary troops and Sikh militants firing from inside the historic Golden Temple, Punjab officials said. AP reports.

The six-hour shootout was the third and heaviest exchange of gunfire between Sikh militants and federal troops around the Golden Temple this week. It was the biggest battle since Sikh militants entered the Golden Temple 22 months ago, and began using it as a command headquarters and arsenal for their weapons.



STRIKES AGAINST COMMERCIAL SHIPS CONDEMNED

UN approves Arab call on Gulf attacks

BY OUR MIDDLE EAST STAFF

A UN Security Council resolution passed yesterday which called for a halt to Iranian attacks on neutral shipping in the Gulf was seen by diplomats as a success for the Arab states of the Gulf.

It did not refer to Iranian "aggression" in line with the six-nation Gulf Co-operation Council's call for the emergency session, but made no mention of Iraqi attacks on shipping calling at Iranian ports.

Rafsanjani . . . warned Iraq

The resolution was adopted by 13 votes to none with Nicaragua and Zimbabwe abstaining. It condemned "recent attacks on commercial ships en route to and from the ports of Kuwait and Saudi Arabia."

Earlier, Hojatoleslam Hashemi Rafsanjani, Speaker of the Iranian parliament, repeated the Tehran's warning that the oil installations of Saudi Arabia and its allies in the Gulf would be in jeopardy if Iraq continued to disrupt Iranian oil exports

and trade. "If we decide to damage the oil installations of the Persian Gulf states we would do something they would not be able to repair soon. Then everyone will see what will befall the world," he told Revolutionary Guards.

Mr Rafsanjani, one of the most popular figures in the Iranian leadership, charged the U.S., the Soviet Union, France, Saudi Arabia and Kuwait with being involved in a conspiracy against Iran.

The Islamic month of fasting of Ramadan started yesterday without any sign of the large-scale Iranian ground offensive against Iraqi positions along the 750-mile front which had been "accurate and effective."

Reports from Tehran and Baghdad suggested that Iraq had taken the initiative. Iran claimed to have shot down an Iraqi aircraft during an attack on the oil refinery at Tabriz in the north-west of the country.

Earlier an Iraqi military com-

U.S. unemployment rate for May drops sharply to 7.5%

BY PAUL TAYLOR IN WASHINGTON

THE U.S. unemployment rate dropped sharply and unexpectedly to 7.5 per cent in May—the lowest level since August 1981. The sharp decline follows three months in which the rate held steady at 7.8 per cent. It is now back at the same level as it was when President Ronald Reagan took office in January 1981.

The Labour Department figures, the first economic indicator for May, came at the end of a week of statistics which painted a mixed picture of the U.S. economy ahead of the June 7-9 London Economic Summit. The figures, including the May leading economic indicators published on Thursday, have shown the economy generally

growing healthily but with the hint of a possible slowdown later this year.

The strong improvement in the May unemployment rate is likely to be viewed as a further indication of strong economic expansion.

Administration officials and the U.S. financial markets have been hoping that the U.S. economic expansion will slow from the fast 8.8 per cent pace registered in the first quarter. That rapid rate, together with other factors, has been blamed for sending interest rates higher.

The 7.5 per cent unemployment rate registered in May was significantly lower than most senior economists had expected and compares with a 10.1 per

cent rate just one year ago and 10.7 per cent in November and December 1982.

The report showed another 883,000 people found work last month, pushing the employed workforce in the U.S. up to 107m people while the number of unemployed fell by 329,000 to 8.5m in January 1981, when the President took office, the number of unemployed stood at 8.07m, rising to a peak of nearly 12m at the height of the recession.

However, the May unemployment figures also revealed a 0.5 hour drop in the average factory workweek last month, which was seen in the markets as an indication of some softness in the figures.

House passes \$284bn defence Bill

BY PAUL TAYLOR

THE U.S. House of Representatives yesterday passed a trimmed-back \$284bn (£202bn) 1983 defence bill—but not before delivering a series of snubs to President Ronald Reagan's defence strategy.

The Bill, passed after three weeks of bitter debate in the Democratic-controlled House, trims the expanded U.S. military budget more than President Reagan had wanted.

It includes major restrictions—including a halt to the production of additional MX missiles until at least April and a moratorium on sea-launched cruise missiles—designed to partially bitter rebuke for the President.

The House had previously authorised the production of 15 out of the 40 MX missiles which the President wants to purchase, but put the money aside out of the Pentagon's reach until April.

The latest House action would mean Congress would have to vote again to resume MX production after next April.

The House vote yesterday

which must then be reconciled with the House Bill.

The House vote early yesterday morning was seen as a serious rebuff for the President, who left Washington yesterday for Ireland and next week's economic summit in London.

Three cliff-hanging votes placing further restrictions on MX missile production were a particularly bitter rebuke for the President.

But it rejected a liberal move to force Nato to reconsider deployment of Pershing-2 and cruise missiles in Europe.

The House also voted to set a 15-month moratorium on production of chemical weapons, imposed a one-year ban on testing anti-satellite weapons and amended the Bill to place further restrictions on the use of U.S. combat troops in Central America.

In other votes, the House

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UK NEWS

Why British Aerospace looks so appealing to GEC

THE General Electric Company's announcement that it is "considering a possible bid" for British Aerospace marks GEC's first public move towards a major UK acquisition since it needed victory in the race to electronics in the takeover battle for Decca four years ago.

City speculation that Britain's largest electrical and electronics group would enter the bidding has been rife since Thorn EMI disclosed last month that it had made an approach to BAE.

GEC has longstanding connections with BAE. It was joint owner with Vickers of the British Aircraft Corporation which was merged with Hawker Siddeley's aviation business to form the nationalised BAE by the Labour government in the mid-1970s.

GEC's interest now, however, appears to be largely focused on BAE's defence activities. The two companies' businesses in this field are largely complementary and from GEC's stand-



Lord Weinstock, managing director of GEC

point the industrial logic of combining them must be appealing.

Through its Marconi subsidiaries, GEC's defence operations include the Stingray torpedo and extensive radar and communications systems activities while BAE's embrace

General Electric may have found the long-awaited opportunity to spend some of its £1.5bn cash mountain, writes Guy de Jonquieres

missiles, military aircraft and satellites. In addition, of course, BAE has civil aerospace interests including a share in Airbus and the production of smaller aircraft.

Whether the Government would be so happy about the concentration of so much of the defence industry in a single company is another question.

The Treasury would undoubtedly welcome the sale at the right price of the 48 per cent stake in BAE which it still holds after the company was privatised by the first Thatcher administration. Some in Whitehall might see the emergence of a large integrated company as an advantage in terms of international competitiveness.

On the other hand, however, the Ministry of Defence might well have reservations about the

consequences for its recent attempts to inject more competition into the bidding for large defence contracts.

GEC expressed an interest in acquiring a substantial interest in BAE both before and after it was privatised. It approached the Government with a proposal to buy BAE's defence business with Hawker-Siddeley taking the commercial activities—a suggestion that was firmly rebuffed.

GEC may well feel now, however, that an open season has been declared on BAE since the Government publicly blessed the Thorn EMI approach two weeks ago. There is also a defensive consideration: the Marconi companies and BAE have close commercial links and Thorn EMI's acquisition of the latter could threaten relations

with the Inmarsat management.

It withdrew from a lengthy courtship of the troubled AEG, one of West Germany's largest

electrical and electronics companies, two years ago after it was bought in 1979. Efforts to prop up Dick into electronic systems and to use it as a platform from which to attack the American office automation market have been a costly failure.

The experience with Dick

may well have confirmed GEC's increasing wariness of businesses which combine rapid and unpredictable technological change with a high degree of competitive commercial risk.

The company clearly feels much more comfortable in more stable, capital equipment markets where a relatively small number of suppliers compete for large orders from a few—often Government-owned

—customers.

BAE would fit those criteria to a tee. But whether it ends up in the GEC stable—and how far it would meet GEC's appetite for acquisitions—remains to be seen.



Sir Austin Pearce, chairman of British Aerospace

machinery manufacturer, has achieved an impressive recovery since it was taken over in the late 1970s and the Picker U.S. medical electronics company has proved a highly-successful performance since it was taken over in 1981.

On the other hand AB Dick,

Warning on effects of portable pensions

By Eric Short

A WARNING that the introduction of personal portable pensions could mean the virtual demise of final salary company schemes was given by Mr Michael Pilch, a director of Noble Lowndes and Partners, a leading firm of employee benefit consultants.

He told a meeting of company secretaries in London this week that the supporters of the portable pension concept, headed by the Centre for Policy Studies, had not taken into account many practical considerations, above all how it would blend in with the state earnings-related scheme.

Mr Pilch claimed that it would be impossible for individuals to opt out of the state earnings-related scheme in the same manner as members of a company pension scheme could currently contract out. Proposals put forward to contract out on an individual basis were so complex that they would be a bureaucratic nightmare and unworkable.

Mr Pilch was casting doubt on the proposals put forward by the Legal and General Group. Indications from the Government are that its proposals on portable pensions, expected later this month, will be based on Legal and General's ideas.

While Mr Pilch supported the concept of a third-tier personal pension provision on top of the state and company schemes, he reiterated his belief that the inevitable consequence of full portability would be the collapse of contracting out and an automatic enlargement of the state scheme.

Mr Pilch feels that few company schemes would be able to operate on a final salary basis and would be more or less compelled to switch to a money-purchase basis should full portability be introduced.

Leading friendly societies criticise curbs

By Eric Short

PROPOSALS to curb the operations of the new-style friendly societies, announced by the Treasury on Thursday, were criticised yesterday by five leading societies.

In a joint statement, they claimed that the proposed action, together with the Budget measures taken against new-style friendly societies, will make it difficult for the societies to continue operating at an economic level.

Before the Budget, friendly societies set up since 1986 could offer investors, subject to certain conditions, highly tax efficient savings schemes with a maximum monthly contribution of £20 (£40 for husband and wife).

The Budget proposals drastically cut the levels at which societies could offer contracts to a limit of £750 on the sum assured (the minimum death benefit) and annuity contracts with a maximum annuity of £150 per annum. The £750 limit means that the maximum monthly savings contribution is now less than £5.

The proposals announced this week also stopped societies allowing investors to cash in annuities for a lump sum.

Postal charges planned to rise by 5% in September

By Jason Crisp

THE POST OFFICE plans to increase charges by an average of nearly 5 per cent from September 3. The cost of sending a first class letter would go up 1p to 17p and the cost of a second class letter would rise 4p to 15p.

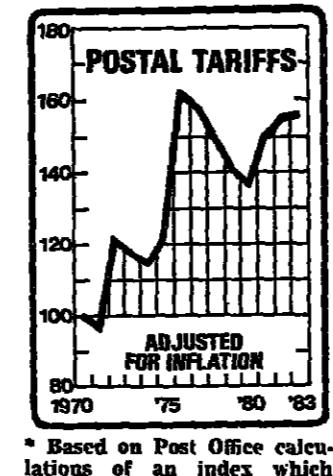
The increases would lift the Post Office's revenues by about £100m in a full year.

The announcement coincides with a threat of limited disruption by the Union of Communication Workers, which is unhappy with a pay offer worth 4.5 per cent.

Postal charges last went up in April 1983 when the cost of first class letters rose 4p. The cost of second class letters has not risen since February 1982.

When the Post Office announced its interim results in December it blamed the freeze of second class postage charges on a small fall in profits.

The Post Office is expected to report profits of about £100m for the full year to March 1984



Based on Post Office calculations of an index which reflects price changes for all major services divided by the Retail Price Index.

the Post Office is putting up prices when value for money in its services is particularly low. The quality of service has been very patchy and in the past few weeks, it has been downright poor.'

The Post Office Users National Council, the statutory consumer body, said: "Customers are entitled to query the need for these price increases at a time when quality of service is still not satisfactory and when there is still room for improvement in productivity."

Postal prices have rapidly

outstripped the rate of inflation since 1970. In real terms prices are over 50 per cent higher than 1970—the Post Office prefers to make the comparison with 1974 which shows prices 35 per cent higher after adjusting for inflation.

The main increases planned for overseas mail are on printed paper rates which would go up by 10 to 11 per cent, and air mail rates which would go up by over 10 per cent.

The Post Office also said that the Government had approved its capital investment programme for the current financial year of £157m, an increase of £27m on last year.

Over £100m is to be spent on improving or replacing old buildings, many of which were designed for era of the horse and cart.

The Post Office is to spend £14m in the current year on computer equipment in the first stage of a major plan to introduce new technology to the counters.

Mr Ron Dearing, chairman of the Post Office, said yesterday: "We recognise the need to maintain our competitiveness and the proposed price increase, which is within the general level of inflation, is designed to do that while enabling the corporation to continue to invest for the long-term effectiveness of Post Office services."

Pay talks, Page 4

Dow buys 5% stake in Claymore Field

By Maurice Samuelson and Dominic Lawson

AT LEAST 10 companies emerged yesterday as successful bidders in the \$180m (£130m) sale of part of Occidental Oil Company's stake in the production of the North Sea's Claymore Field.

Dow Chemical, the U.S. chemicals company, was the most successful bidder with 5 per cent of Claymore.

The sale was the biggest share out of North Sea production assets since last year's scramble for parts of the big Forties Field.

Occidental, which owns 35.5 per cent of Claymore, had invited bids for 15 per cent of it.

One of the principles of the sale was that bidders for four or more 1 per cent units could deal directly with the U.S. oil company rather than tender through Occidental's merchant bank, Morgan Grenfell.

Sovereign Oil and Gas, the UK independent oil exploration company, attempted the former method but negotiations for

sovereign to take 4 per cent were unsuccessful. Eventually, the company acquired 2 per cent of the field through the tender method. "We are quite happy with what we have bought," it said yesterday.

The remaining 10 per cent of the overall sale was purchased by other oil companies for an aggregate of about \$128m. Occidental had been looking to receive \$12m percentage point ownership, but the bids accepted under the auction amounted to \$12.6m.

Some of the purchasers of the smaller shares had unsuccessfully bid for parts of the Forties Field last year.

For the Coalite Group, which makes smokeless fuel and controls the Falkland Islands Company, the purchase marks its first acquisition of North Sea production.

The deal's attraction for Occidental is that production from Claymore is worth far more to other companies, such as small British independents.

Plea for bigger domestic role offshore

By Dominic Lawson

SUCCESSIVE governments were accused by a leading figure in the North Sea offshore supply industry yesterday of giving inadequate protection to the UK indigenous offshore oil service sector.

The attack came from Mr Ian Wood, chairman of the John Wood group and a leading force behind the recently formed singer group British Indigenous Technology (Briti).

Speaking at the same Aberdeen conference as Mr Wood, Mr Alex Buchanan-Smith, the Energy Minister, said on Thursday that in the ninth licensing round that day that it had acquired the stake mainly to offset the considerable exploration expendi-

tory in research and development which would be a key factor in the North Sea projects. This is an area where UK companies should dominate but it was in fact dominated by the U.S. contractors.

Mr Wood called on the Government to:

- Identify critical high technology areas and invest in them in co-operation with the oil industry.
- Encourage international companies to come to the North Sea to set up joint ventures with UK companies in new technology projects.
- Develop further the export activities of the department's offshore supplies' office.

He said that the Department of Energy's statistics showed an "apparent" 12 per cent UK company content in the North Sea contracts, but only 20 per cent of North Sea contracts by value was carried out by companies which are at least 50 per cent owned in the UK.

In particular, Mr Wood referred to design engineering

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UK NEWS

LABOUR

Lloyds to increase account charges

BY MARGARET HUGHES

LLOYDS BANK customers who keep less than £100 in their current accounts are to be charged an extra 25p on every cheque and standing order paid from their accounts. The increase takes effect on June 11, and brings the charge to 30p on an item.

Charges for cashpoint withdrawals and direct debits will remain at 20p. The minimum balance required for free banking is also unchanged at £100, but the tariff for cheques and standing orders on the bank's cashflow account will also be increased on June 11 from 40p to 45p per item.

Lloyds said yesterday that the tariff would be held at the new level for at least 12 months. The increases, it said, were an "interim measure" to cover rising costs "pending a detailed review during the coming year of its charging structure for personal customers."

The bank said that the new charges will mean a typical increase of about 75p a quarter for customers who pay charges.

It said that about half its customers do not pay any charges.

Lloyds last raised its charges 18 months ago at about the time when all the other main clearers increased theirs. Since then National Westminster Bank has been the only one to increase charges. It introduced a more complex tariff last December, at which time the other main clearers said they were reviewing their tariff structures. It

was expected they would eventually follow suit.

Yesterday, however, Barclays and Midland denied any immediate plans for altering their charges, although they confirmed that their tariffs were under review. Midland said that like Lloyds it is having to re-evaluate its charges to personal customers following the budget decision to impose composite rate tax next year.

Both Barclays and Midland charge 25p for cheques and standing orders. NatWest charges 25p and now also levies a "maintenance" fee of £3 a quarter.

NatWest has, however, reduced the charge on cashpoint withdrawals and direct debits from 15p to 12p to encourage

their use. This was also the reason given yesterday by Lloyds for keeping these charges at 20p. Barclays charges the same for cashpoint withdrawals as for cheques but Midland charges only 15p. Both charge 15p on direct debits.

All four main clearers offer free banking for customers who keep a minimum of £100 in their current accounts. NatWest makes no charge to customers with a minimum of £500 in a savings account, provided they also keep their current account in credit. Other banks, notably the Co-operative Bank, National Girobank, Williams & Glyn's and Yorkshire, together with the Scottish banks, give free banking to customers who keep their current account in credit.

Electricity production was up 4 per cent.

Oil output in Britain up by more than 15%

Postal services disruption urged

BY DAVID GOODHART, LABOUR STAFF

INDUSTRIAL ACTION over pay in the Post Office came a step nearer yesterday when Mr Alan Tuffin, general secretary of the Union of Communication Workers, announced he would be recommending a strategy of selective action to the union executive next Tuesday.

If selective action is taken by key groups of postal workers—probably concentrated on London—the Post Office is expected to lock out staff and try to prevent the union achieving its stated aim of maximum disruption at minimum cost to itself.

Mr Ken Young, Post Office board member for personnel, yesterday wrote to all members of staff stating: "Industrial action can only put jobs and pay at risk. Competitors who want our business will have a field day if we are running at half-speed or completely at a stop."

He also said the present pay offer of 4.9 per cent compared well with many other nationalised industry agreements and that postmen enjoyed pay and

conditions marginally above the average for manual workers.

However, Mr Tuffin said that, excluding overtime, gross pay for a postman was £107 for a six-day working week of early morning shifts. He said it was absurd that the Post Office could only survive by each worker doing an average of 10 hours a week overtime and added that with nearly £100m profit to be announced in July the corporation could easily afford the 5.2 per cent claim.

The union is keen to emphasise that it has "learnt the lessons of 1971" when it launched an unsuccessful all-out strike. But the Post Office management will not let the UCW dictate the terms of any selective action.

The corporation repeated again yesterday that the average gross pay for a postman—including eight hours overtime—is £147. For a postal sorter it is £189 with nine hours overtime. The basic working week—excluding meal breaks—is 39½ hours.

Data-processing pay rises below average

PAY IN the data-processing industry had risen by less than the national average for the first time in several years.

A survey published by Computer Economics shows that for the 12 months ending in April wages rose by an average of 7.6 per cent. The national average for the same period was 7.76 per cent.

Machine production falls by 2%

MECHANICAL engineering output fell by 2 per cent in the first quarter over the final quarter of 1983, according to seasonally adjusted figures from the Department of Trade and Industry.

The biggest falls were in mechanical lifting and handling equipment (12 per cent), construction and earth moving equipment (10 per cent), and pumps (11 per cent). But there were rises of 9 per cent for mining machinery and 8 per cent for compressors.

Liverpool sets date for rates meeting

A THIRD attempt to fix a rate for the Labour-controlled Liverpool City Council is to be made on June 20.

Liverpool is the only local authority in the country which has not fixed its budget for the present financial year. The meeting of the council, reconstituted by the Liberal opposition, will be held before the routine council meeting.

The NGA members will return to work on Monday but redundancy negotiations are continuing with the other print union, Sogat '82.

The company has agreed in talks with the NGA to redeploy about 100 to Saltash and provide an early retirement package for 250 over the age of 50. Another 435 workers will face redundancy when New Malden closes in July.

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THE WEEK IN THE MARKETS

challenged

Downhill on the rollercoaster

LONDON
ONLOOKER

DON'T panic, anyone, but don't relax either. The equity market has been zooming around this week in a way which quite defies rational analysis. On Thursday, for instance, the FT 30-Share Index was up 11 points at 10 o'clock, plunged a horrible 28 points in the next five hours and then rallied to close a mere 6.5 points down on the day.

More fundamental, and perhaps more alarming, was the fact that market operators could not clearly explain what was worrying them. Normally, a market fall can be pinned on a specific factor—base rate worries, say—which can to an extent be quantified and then discounted. But over the past fortnight, the best that can be said is that in a quite general way the market has lost its nerve.

The trouble about such a change of mood is that it is abnormally difficult to predict where the market will find a floor. As to the reasons for the change, one could point to domestic worries such as the trend in interest rates, or the miners' strike. But if our factor stands out, it is probably the run on Continental Illinois two weeks ago which jolted the market into facing a great unmentionable, Third World debt and its companion spectre the U.S. budget deficit.

Friday, in fact, saw the market firming, and moving back up through the 800 Fair Trading were to look at

any or all of them to check that they were not a little too logical.

In particular, BET already owns 80.8 per cent of Advance, another leading company in the market for towel rental and cleaning. The Monopolies Commission cast an inquiring eye over that market last year.

Granada, in turn, would end up with maybe 19 per cent of the market for rental of TVs and video cassette recorders. Since that market is dominated by Thorn EMI, though, there might be a better chance of the authorities waving the deal through.

The Dee/Booker bid raises questions on the concentration of power in food retailing—an issue which is already under official investigation. Dee has over 340 supermarkets already and six Carrefour hypermarkets; the addition of Booker would bring the supermarket total to 500, accounting for some 6 per cent of the national market. But then, giants like Tesco and Sainsbury have twice that market share—an argument which could work in the merger's favour.

The three deals—BET buying the rest of its Initial towel associate, Granada buying the Rediffusion TV rental business from BET, and Dee Corporation bidding for Booker McConnell—would be worth in total a formidable £520m. Close on £370m of that would be satisfied by the issue of shares—quite a tall order, one might think, for a market not exactly in the buying mood and bracing itself for the Reuters issue.

That apart, all three deals look perfectly logical in an industrial sense; indeed, it would not be surprising if the Office of Fair Trading were to look at

year to March 1984 were 86 per cent up at £117.5m; but at the operating level, UK profits were doubled, whereas profits overseas were up by only 20 per cent.

In the stock market's mind, the chief questions about this impressive performance are how far the improvements in Courtaulds' operating efficiency will protect it from the next cyclical downturn and how long that downturn will take to arrive.

Cyclical improvements in operational gearing are largely outside the group's control, and ICI for example, has already expressed caution about how long the present cyclical upswing will continue.

Certainly, Courtaulds would argue that it deserves credit for its own improvements in productivity; and it is worth noting that group turnover in the year was up by only 6.4 per cent and volume by half as much.

Within that, though, it was at the commodity end of the production chain that sales growth was strongest—12 per cent in the fibres division, in particular.

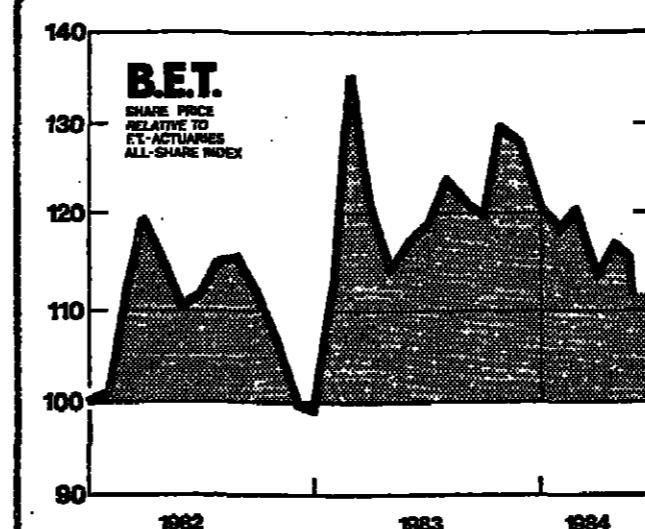
To the market's mind, that smacks rather of passive benefits from the cycle. And though Courtaulds still seems keen to stabilise itself through a U.S. acquisition, sterling's weakness against the dollar—which did so much for exports last year—makes that strategy look costly.

sweet 'n' sour

The market in Tate & Lyle's shares had been upset for a while by rumours—confirmed with Wednesday's figures—of a snarl-up in the group's sugar trading. Indonesia, which normally orders 100,000-200,000 tonnes of sugar from Tate & Lyle per year, is jibbing over a contract struck a couple of years ago, when the sugar price was a great deal higher than it is now.

Indonesia's motives are clear enough, since it could not satisfy its requirements much more cheaply on the open market. The case now goes to the Arbitration Board of the London Commodities Exchange. Pending a resolution—within six or nine months—at the latest—T & L is taking it on the chin with a provision of the full possible loss of £10.4m.

That one-off problem apart, the only other deterioration last year was in agribusiness. The group runs a worldwide consultancy service across the range of agriculture, but with an historic bias towards sugar growing. Third World countries



FALL FROM MAY 3 INDEX PEAK

Despite yesterday's sharp rally, the following table shows in percentage terms the extent of the fall in the FT 30-share Index and its constituents since the all-time peak was reached on May 3.

	Price	% Fall	1984	High	Low
	1984	y'day since 5-5-84	High	Low	
F.T. Ind. Ord. Index	824.5	10.6	922.8	776.3	
Allied-Lyons	162	6.9	178	138	
Assoc. Dairies	160	13.0	184	146	
BICC	225	13.5	287	220	
BOC	246	17.5	307	233	
BTR	447	9.7	497	415	
Beecham	315	3.6	338	291	
Blue Circle	416	2.1	450	405	
Boots	172	2.8	191	158	
Bowater	260	16.9	335	238	
BP	498	4.2	540	395	
Cadbury Schweppes	122	13.5	141	117	
Courtaulds	126	21.2	160	120	
Distillers	276	11.5	319	244	
GEC	182	1.6	208	160	
Gilco	800	8.4	885	700	
FT-SE Index	1055.8	7.5	1141.6	997.5	

Sell in May—go away

USM INVESTORS must be wondering whether their microchip crystal balls have blown a fuse.

In the past three weeks the junior stock market has suffered its worst ever decline, with the Datastream USM leaders' index slipping by more than 14 per cent from its peak of 115.5 in early May.

The old cliché sell in May and go away has never looked more apt. But the second part of the adage—don't come back till Derby Day—seems like less good advice, for it is far from certain that the betting instinct will have revived on the USM by the time the punters start collecting their winnings at Epsom next Wednesday.

"There have been some crazy prices quoted and some selling at stupid levels in the past few days. No one can say when the buyers will come on the feed again," says one stockbroker.

If anything, the downward curve of USM share prices has sharpened, with the biggest setback taking place on Wednesday, in line with the main market. During the past seven days the USM index has declined by almost 10 per cent and underperformed the FT All-share index by almost 6 percentage points.

The string of gloomy economic indicators which gave the upper house a chill was compounded on the USM by investors' natural aversion to holding riskier stocks in bearish times.

Unlisted Securities Market

In addition, the USM has been ill-served in the past week by the dominance of formerly high-flying computer and electrical companies, which made up around a third of its £2.56bn market value.

News that the U.S. home computer market was drying up spread gloom throughout the sector, even to computer companies that have nothing to do with the U.S. domestic scene.

Meanwhile, the outperformers of the spring succumbed to a wave of profit-taking by investors who feared that their notoriously high ratings had gone far enough.

"Speculative interest has very rapidly unwind," says David Gibbons of stockbrokers James Capel. "We might well see these stocks permanently de-rated. They make great bull market stocks, but poor bear market investments."

His point is grimly underlined by the fact that seven of the ten worst performing USM shares of the week are computer or electrical related.

Acorn Computer Group, which has recently launched its BBC

micro in the U.S., experienced a 15 per cent decline in its share price to 145p, where it is still the biggest company on the USM with a market value of £163m. Only three weeks ago, its shares stood at an all-time high of 193p.

Bottom of the weekly league is Adam Leisure, a maker of hand-held electronic games, with a 36 per cent plunge in its share price to 18p—a movement which admittedly had more to do with a 2.5m decline in pre-tax profits £302,000 for the six months to March.

Even after this week's upsets, many USM computer buffs still have a tidy profit on their books. Despite a 10 per cent decline over the past month, the Datastream index of 21 computer stocks has managed a 59.5 per cent gain over the past 12 months in absolute terms.

Meanwhile, the gloom in the USM generally has been reinforced by a clutch of bleak announcements. JSD Computer Group recently announced second half losses of £63,000, Radio City (Sound of Merseyside) showed an interim profit decline, while Tyne Tees Television, Rayford Supreme discount electrical stores and Laidlaw Group Ford dealers all came out with cautious statements which made the USM's one-heady atmosphere seem well in the past.

Judging by the small size of the bargains which jobbers have been reporting, it looks as if the bulk of the selling up till now will be by private investors. The key to whether prices are set for a more serious dive lies in the hands of the financial institutions, who hold an estimated 70 per cent of the free equity on the USM.

At a time when jobbers are unwilling to take USM stock onto their books in an already restricted market, few institutions would contemplate selling large chunks of equity because of the huge losses they would incur.

"You can't sell them in these conditions, so there is only one thing to do," says James Caulfield, a director of M&G Investment Management, which has around £5m invested in the USM. "In any case we see them as medium term investments since they are mostly development companies."

Shaun Whyte, who handles Britannia Arrow's £7m USM unit trust, adds: "It is not a market in which you can trade easily—you have to see it as long term. The only way we would be forced sellers would be if we had a large number of redemptions."

Even if institutional shareholders are prepared to stay locked in to their USM invest-

ments until the sun rises over the Stock Exchange again, that does not stop them from taking an increasingly cautious view of any new offerings that step their way.

For this reason, some USM applicants are already delaying their market debut until conditions improve, according to brokers' reports. Since most of them raise less than £3m on coming to the market, USM hopefuls do not have to apply for a place in the Government Brokers' queue and therefore find it far easier than the larger companies to adjust the timing of their quotation.

"The dramatic drop in prices we have had over the past two weeks makes one reconsider the ratings one can do for new issues," says Neil McClure, manager of corporate finance for stockbrokers Phillips & Drew. The firm's sixteenth USM company, the fresh foods group Hunter Saphir, is due to join the market on Tuesday week with an historic earnings multiple of 18 at the 120p offer-for-sale price—well below the current USM average of just over 150p.

David Cohen of stockbrokers Simon & Coates says: "It's not a question of whether or not to go. It is simply a question of whether vendors are prepared to accept more cautious ratings. Unless a company is desperate for cash or desperate about the price, one will see new issues being delayed as a reflection of difficult market conditions."

So far, there has been little real evidence that the USM is set to give new issues an indifferently tough time, beyond the lukewarm reception afforded to Microvitec, the colour display monitor company, which started at a disappointing 8.3 per cent premium a week ago and now stands at 14p below its 180p issue price.

Deals start on Monday in Petrox, the oil exploration group, and Spectra, a car care products company. USM aspirants will be watching the reception they get closely for any further guidance on whether they should wait in the sidelines until the dust settles.

Katy's mother is one of those nurses who seem to make the whole ward happier when they are on duty. Yesterday, she cared for her patients with a bright and kindly attitude—and a quiet mind also, for she knew Katy was being well looked after at Barnardo's local day care centre. As a single parent, Katy's mother has faced many problems, and the last three years have been very tough. Now, with Barnardo's help, there's a new beginning. Since she returned to nursing six months ago, Katy's mother has been able to provide for her small daughter and herself, and begin to furnish their tiny flat. Best of all, she can see the benefit to Katy of mixing with other children and learning through play. Barnardo's will gladly send you information literature if you would like to write to them.

This is a true story. To respect the privacy of those involved we have used model and fictional names.

A pause after the bloodbath

NEW YORK
TERRY DODSWORTH

AFTER last week's bloodbath, the Wall Street markets took a welcome day off on Monday this week, only to return from the holiday in virtually as sour a mood as when they shut up shop.

On Tuesday and Wednesday, bond prices continued in a straight line downward progression, taking yields very close to the 14 per cent which Dr Henry Kaufman, the Salomon economist, was warning about to general disbelief only a brief four months ago. Equities initially followed the credit markets, with the Dow Jones Industrial Average at one point slumping briefly through the 1100 base—some 14.5 per cent below the high of 1286.64 hit less than five months ago and a point which has taken dividend yields on the 65 leading industrial stocks to over 5 per cent.

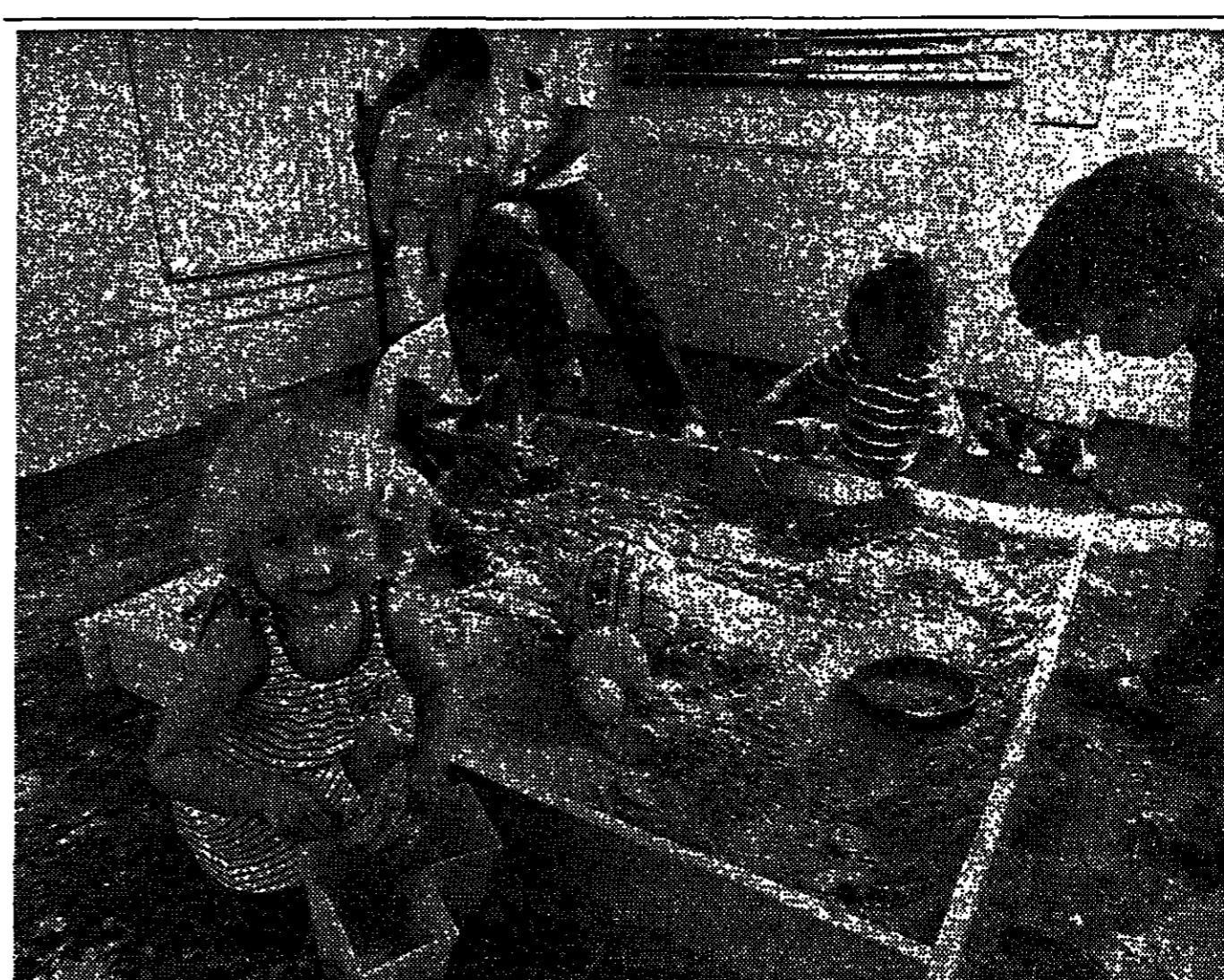
One problem for equities is that the higher money supply figures—M1 was up again by \$3.3bn in the latest week—were being taken as evidence of the Federal Reserve Board's reluctance to tighten monetary policy still further at a time when it needs to lend its support to the banking sector—notably Continental Illinois.

The other immediate anxieties are Continental Illinois and the Middle East conflict between Iraq and Iran. Quite apart from the generally unsettling effects of problems at a major bank which could clearly have damaging ripple effects on the rest of the financial community, the fact that shareholders in the company are having to clean up their positions also hits confidence elsewhere. The extent of the liquidation this week hastened by the chairman's reference to continuing FDIC support, was evident in the fall in Continental's share price from \$8 at the end of last week to \$5.1—where the bank is valued at a mere \$220m.

The shadow cast by the war in the Gulf showed up clearly when first rumour and then reports that Iran had cut oil prices by \$1.50 a barrel swept through the markets on Wednesday. Share prices swung from a decline of more than 12 points to a gain of about the same amount, underscoring Wall Street's overall nervousness, but also demonstrating a continuing reluctance to say goodbye to the bull market.

There is certainly no rational explanation for a buoyant response to Iran's move, which will do little more than compensate oil purchasers for the additional insurance cost of buying the oil from a war zone. One redeeming feature of depressed market conditions is the continuing opportunity it provides for substantial re-

MONDAY market closed
TUESDAY 1101.24 -5.86
WEDNESDAY 1102.59 +1.35
THURSDAY 1104.85 +2.26



While Katy played yesterday, her mother made eighteen people feel a bit better

Barnardo's
Day Care

Dr Barnardo's, 332 Barnardo House, Tanners Lane, Barking, Essex IG6 1OG

COUNTY BANK

2 ND BUSINESS EXPANSION FUND

(a fund approved by the Inland Revenue under the terms of the Finance Act 1983)

Objectives of the Fund are:

- To enable UK investors to invest directly in a diversified portfolio of unquoted companies with good growth prospects.
- To allow higher rate taxpayers to benefit from the tax advantages of the Business Expansion Scheme for the tax year 1984/85.
- To provide development capital both for established companies and for newer ventures.
- To offer investors the benefit of County Bank's expertise in investing in unquoted companies.

Subscription Period: 18th May, 1984 to 22nd June, 1984:

Minimum investment is £2,000; maximum £40,000.

For full details of the Fund send in the coupon below for a copy of the Memorandum inviting participations in the Fund.

Investment in unquoted companies can carry higher risk than many other forms of investment, and before investing you should seek advice from your accountant, stockbroker, solicitor, bank manager or other professional adviser.

*Applications must be made on, and on the terms of, the application form contained in the Memorandum and must be received by 3pm on Friday, 22nd June, 1984.

To: County Bank Limited, Investment Division, BES Fund, 11 Old Broad Street, London EC2N 1BB. Telephone: 01-638 6000.
Please send me a copy of the Memorandum inviting participations in the County Bank 2nd Business Expansion Fund.

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Address _____

FT/2/6

Tel: _____

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COUNTY BANK

2 ND BUSINESS EXPANSION FUND



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To Peter M. Zuber, Manager, Bache Securities 3-5 Burlington Gardens London W1X 1LE
Telephone 01-439 4191/Telex 263779

Please call me on Telephone no. _____

Please send me your latest piece of investment research

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ATTC

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FINANCE AND THE FAMILY

No CGT on a field

BY OUR LEGAL STAFF

My father died on March 13 1955 and left estate of net value £4,520 which included a 14-acre field valued at £300. My mother died on September 14 1983 and the value of the estate then was £4,433 (the majority having been invested in 3½ per cent War Loan by the solicitor in 1955) plus the field which must now be worth about £22,000.

The estate now passes to me. Do I have to pay capital gains tax on the increase of value in the field and how much will this be?

No, unless you sell the field. For CGT purposes, you are deemed to have acquired the field on September 14 1983 (upon your mother's death) at its market value on that day.

Chief rents are saleable

The Trust of my late grandfather has all but come to an end, but still includes 30 or so

Chief rents for properties in the Manchester, Streatham and Sale areas.

For the year ending December 1982, the net income was

the princely sum of £50,000. This is a "fly-in-the-ointment" situation, and seems to be

the only reason why the Trust cannot be wound up and the assets divided

equally between the beneficiaries, namely my

mother and aunt. My question is, is it at all

possible to dispose of these chief rents, and if so, how

can this be done? Are any of

the following possibility

either through sale or as a gift:

1 The property owners

2 Manchester City Council

3 The Government

4 A charity

Chief rents are a saleable form

of property. You should inquire

through an estate agent for the

names of agents specialising in

such sales with a view to including

the remaining rents in an

auction. However, you can first

offer them to the rent payers,

who might be glad to pay a

small sum to purchase them.

Your other proposed recipients

would not appear to be feasible.

Planning permission find

Could you please advise me

on a problem concerning

submissions of plans by

others over my property

On carrying out a "search"

I find that a private developer

has drawn up plans which

also affect my land. The

Planning Department state

that this is legal even though

it could have an adverse

impact on the marketability

of my house.

My bungalow is adjoining by

a field and a filling station

owned by Shell. As a result

of a bypass built some years

ago, the trade of the filling

station has fallen and it is

possible that the land may be

sold off by Shell for house

development.

This could mean an access

road to the estate with the

removal of my garage which

is now at the end of the

close. Furthermore, an

extended road would be within

6 feet of my lounge and the

property could not be sold.

My fear is that the council

may make the opening mandatory.

In these circumstances I

may neither extend my

property nor sell it.

How can I find out the

council's position in a legally binding manner?

If the developer has merely

included proposals relating to

your land on a plan without

obtaining planning permission

for those proposals, there is

nothing you can do. If an application

for planning permission has been made, however, the

applicant must certify to the

planning authority either that

he is the owner of the land

concerned or that he has served

the owner with notice of the

application. A permission

obtained on a false certificate

may be invalid.

children are remaindermen.

I wish to give them from

time to time in my lifetime

some of the capital from the

trust.

Apart from any necessary stock transfers, must I execute any formal deed each time? Could simple receipts and appropriate entry on annual IR returns suffice?

For CTT purposes I assume

such gifts would count against

my personal CTT exemptions

and lands.

If you are the life tenant you

cannot deal with the capital of

the trust unless you also have

a power of appointment. The

trustees, however, will most

likely have a power of advancement

under which they can release

capital to the remaindermen,

and you could ask them to

do this. CTT would be payable on such an advancement, but it

is not part of your CTT exemption

or liability.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

fence and what other action is necessary?

The clock starts ticking when you have effectively excluded the true owner that is not necessarily when you fence, but a complete exclusion of everyone other than yourself by fencing and a locked gate is a very strong indication that your possession is adverse to the true owner. Adverse possession for 12 years will defeat the claim of the true owner.

An American pension

I recently became entitled to a retirement pension from a U.S. company I worked for in the U.S. before returning and, as a British citizen,

I cash the monthly dollar cheques, from which my bank deducts a commission of about £3 each month.

Should this be the net or the gross amount of pounds resulting from each transaction which should be reported in my tax return for 1984-85?

I also receive some debenture interest from the U.S. and notice from my bank's tax certificate that basic rate is calculated on the net amount of exchange received after deduction of bank commission.

You can simply report the net amount after exchange commission (because this is merely an element in the effective rate of exchange given by the bank on small transactions).

What the bank has done in taxing your debenture interest is correct, for similar reasons.

Both your pension and

debenture interest are exempt from U.S. tax, by virtue of U.S./U.K. double taxation agreement.

Your 1983-84 assessment will be based upon the amount of your pension for 1984-85 (as will the 1984-85 assessment), unless you choose to have it based upon the real figure. Subsequent years' assessments will be based upon the preceding year's pension, without any choice. The rules are complex and administratively inconvenient, unfortunately.

A change of perspective

MINING

GEORGE MILLING-STANLEY

THE PRICE of gold continued to improve this week, although at present levels it is still well below half of the historic high achieved in January 1980. The price of gold remained at around the highest level it has ever achieved this week.

These two sentences, apparently mutually contradictory, are both in fact true. The first referred to the gold price in U.S. dollars, while the second concerned either the pound sterling or the Italian lira, or the Hong Kong dollar, the Brazilian cruzeiro, or a number of other currencies which were strong throughout 1980.

It is all too easy to fall into the trap of believing that the U.S. dollar price of gold is one true figure, as the metal is normally quoted in dollars. True, the current price is barely nudging the \$400 level, as quoted in the markets, but changes in currency parities mean that in terms of many other currencies it is not far short of the \$850 reached in 1980.

This fact was brought home forcibly this week with the publication of "Gold 1984," the annual "bible of the gold bug," by Consolidated Gold Fields. Miss Louise du Boulay, author of the study, encouraged a change of perspective by pointing out that gold was not a weak marker

last year. It simply suffered in over the past 12 months or so.

That made a neat vicious

circle for gold, as it was the

level of U.S. interest rates

which in turn contributed to

The cost of gold as a haven

CAN GOLD regain its glitter? The recent tremors in the world's financial system for a moment held out the prospect that after more than a year in the shadows it might recapture a little of its former shine.

The fact that its rally was short-lived, however, underlines just how much things have changed since those heady days in 1980 when an ounce fetched over \$850.

The price is now less than half that. And, unless predictions of a collapse in the West's banking system prove to be something more than the utterings of eternal pessimists, few experts are predicting a spectacular recovery.

The reason lies not in any fundamental change in the mining of gold or in its use for jewellers and dentists' fillings, though trends here have not helped.

What has really changed is the world in which gold has to compete for a place as an appreciating asset.

The trends in the world economy have all conspired against it. Low inflation, high real interest rates, and a strong dollar are gold's worst enemies.

Gold offers no interest or dividend payments, no certainty that on a set date in the future it will be worth more than on the day it was bought.

In the days when hyper-inflation wiped out the interest on government bonds almost before it was paid the potential rewards of hoarding gold were well worth the risk.

A new twist to the interminable conflicts in the Middle East, a blow for East-West detente, or a guerrilla war in Central America could all be relied upon to produce a healthy profit for gold investors.

The spectacular fall in inflation in the U.S., a strong dollar and high interest rates changed all that.

And as long as investors in U.S. securities are convinced that a stable, or rising dollar, will protect returns as high as 14 per cent on U.S. bonds there seems little reason for them to rush into gold.

Consolidated Goldfields, in its annual bible for the market "Gold 1984" which was published this week, is in no doubt over what holds out the best prospects for the metal.

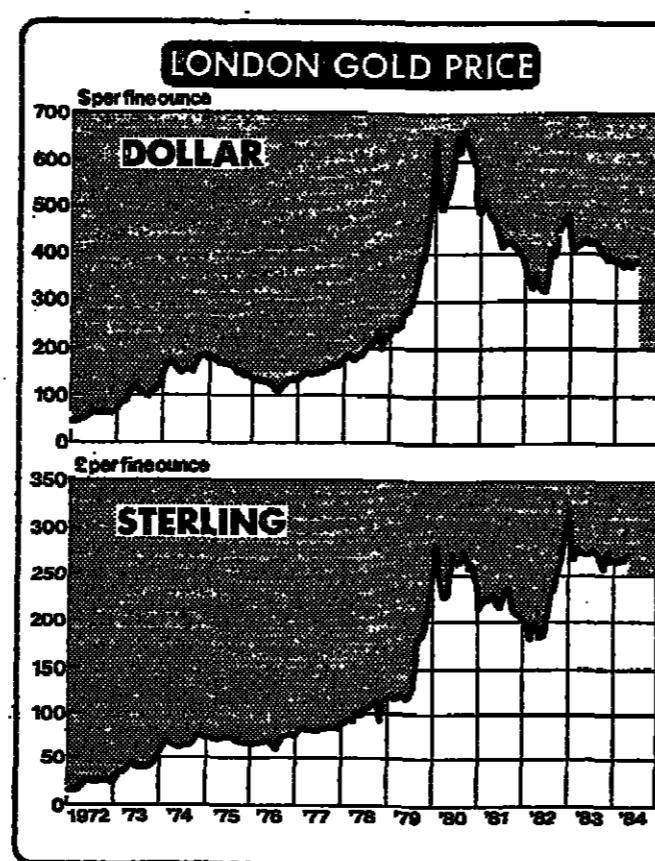
"At the heart of the matter lie U.S. interest rates and the dollar... If rising inflation and a weaker dollar begin to appear inevitable then gold will once again be regarded as a possible alternative investment."

This hoarding by investors—people who buy it to put it under the bed or, more realistically, in a Swiss bank vault—is essential to bridge the gap between supply and demand.

For the two to have balanced in 1983, investors should have bought an extra 200 tonnes, or around 20 per cent of that year's new production.

That gap could narrow as economic recovery encourages more people to buy gold jewellery and reduces the need for existing gold hoarders to turn their bullion into cash.

Consolidated Goldfields already detects a change of mood



in the market and says that in the first quarter of 1984 retail gold sales picked up in the U.S., Japan and Europe.

But for the moment at least the essential judgment that an investor considering buying gold must make is primarily one of economics.

Does he believe that the huge U.S. budget and trade deficits will bring the long-predicted fall in the value of the dollar sooner rather than later? Will Latin American countries default on their debts and create panic in U.S. financial markets?

Or will the dollar continue to defy gravity, inflation stay under control and another round of deals be thrashed out

to sort out the debt problems of the third world.

Between those two extremes of course is the possibility that a less cataclysmic deterioration in the world economy could bring a gradual shift back into gold this year and next.

For many of those who have stuck by gold through the lean years there is also some consolation—as long as they are not U.S. investors.

While the dollar price of gold has tumbled, the sharp downward shift in most other currencies against the dollar has actually brought gains for investors who paid in sterling, DMarks or Yen.

Philip Stephens

BUSINESS EXPANSION SCHEME

Join a hi-tech family

CLIVE WOLMAN
reports on a new way of investing in small companies with a tax break

A FUND with a new approach to investing your money in venture capital as a way of protecting it from the taxman was launched this week.

The Hoare Octagon Information Technology Fund, which is sponsored by stockbrokers Hoare Govett, will be investing in small companies in a glamorous hi-tech industry using a different philosophy to pick potential winners.

The fund is designed to exploit the tax breaks under the Business Expansion Scheme (BES). It will invest only in the newly issued equity of companies not quoted on the stock market, so that its clients can claim tax relief at their top marginal rates on their investments.

This means that a top-rate taxpayer who puts £2,000 out of his net income in the fund will have his investment topped up by another £3,000 from the Inland Revenue.

In the last tax year to April, when the BES was introduced by the Government, a wide variety of funds was set up to manage investors' money by placing it in a spread of unquoted companies.

These funds have been free to cover the entire spectrum of British industry. Generally, they have adopted a "hands-off" approach, not seeking to



become involved in the detailed management of the companies they invest in.

By contrast, the Hoare Octagon fund will invest exclusively in companies specialising in information technology or relying on the application of such technology.

The fund will also be involved in the management of its "target" companies by supplying a non-executive director to the board.

If you have experience of investing in unit trusts, you may associate a fund specialising in a particular industrial sector with a higher degree of risk than a more general fund.

And as BES funds investing in small companies tend to be risky ventures anyway, the extra risks of specialisation may seem to be too much to bear.

But Reid believes his fund is less risky than its predecessors. It is the larger, more mature companies, he says, which are most vulnerable to the swings in fortunes of a particular industrial sector.

Unquoted companies with low market share depend critically for their success on the quality of their management.

An investment manager with long experience in dealing with companies and their management in one or two industries is likely to be able to make better choices, he claims.

"Investment managers are having to become more specialist," he says. "You can no longer have lunch with the chairman of a company in an industry you'd never come across and decide at the end of the meal to back him."

Even when his fund provides venture capital—the riskiest type of investment—for a company being set up from scratch, Reid says he will only go for managers in their late thirties or forties with a track record.

All the management expertise required to run such a fund, in the form of consultants and investment committees, will cost its clients dear however. There will be an initial charge of 6 per cent of the value of your investment (some recently-launched funds make no entry charge) and the Hoare Octagon management company has the right to take up share options to the value of 15 per cent of the fund's investment in any company.

It can also charge the target company an arrangement fee.

In addition, Hoare Octagon will earn the interest on the money placed with it before it is invested. The closing date for subscriptions to the fund is August 31 and most of the money, although possibly not all, is expected to be invested by the end of the tax year on April 5, 1985.

The fund is limited to a total value of £4m of subscriptions from investors and the minimum individual investment is £2,000. The value of the stakes taken in individual companies is likely to be between £10,000 and £500,000.

Contact: Richard Bunn, Hoare Govett, Heron House, 319-25 High Holborn, London WC1V 7PB.

The knotty problem of bringing ethics into investment

THE UNIT TRUST arm of Friends' Provident Life Office this week opened up a new field in unit trust investment when it launched its Stewardship Unit Trust—a fund which will invest in "socially responsible" UK equities.

It is aimed at those seeking investment opportunities, for whom the return is not the sole criterion in selection.

These people are concerned about where their money is invested and equally about where dividend payments arise. The fund is not anxious to profit from human weaknesses, so it eschews tobacco companies, breweries, distilleries and other liquor producers, as well as companies involved in gambling.

The Stewardship trust will also avoid investment in armaments or in South African securities. But this still leaves open areas:

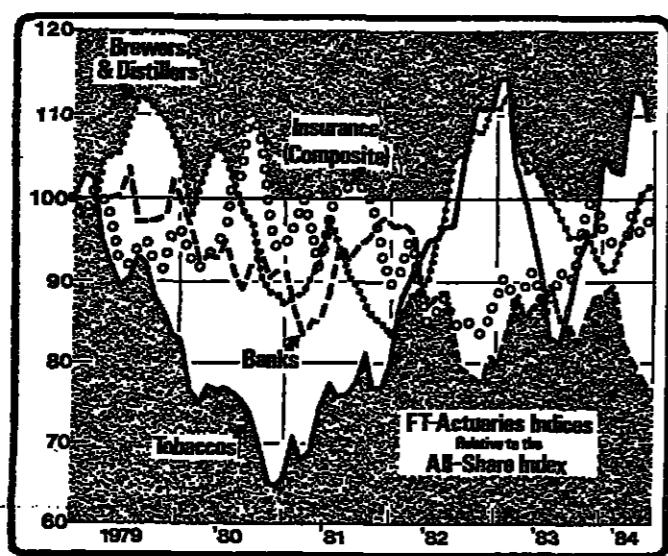
• How does the fund decide on the guidelines of social responsibility and how tightly can it draw the guidelines?

• Having drawn up the guidelines, how does it select stocks which will conform?

All the members of a six-person Committee of Reference, which is formulating guidelines, have an active interest in questions of social welfare. They include a member of the Religious Society of Friends and a member of the Joseph Rowntree Charitable Trust.

Friends' Provident, as its name implies, has had strong connections with Quakers ever since its foundation over 150 years ago. The formal connection with the Society of Friends has only recently been ended, but the informal ties are still strong.

One of those ties is with the Ethical Investment Research and Information Service



(EIRIS), which was established with the aim of assisting investors to find investments of positive social benefit and carrying out the necessary investigations into company activities.

So the committee, one of whose members is the chairman of the management committee of EIRIS, asked EIRIS to produce a list of companies from the FT-Actuaries All-share list that would conform to its guidelines.

After EIRIS had done a preliminary investigation it came

up with about 200 companies that conformed to the guidelines.

Not only are there obvious omissions like breweries; there are also no banks, merchant banks, insurance companies or insurance brokers.

But the most striking feature is the absence of any large company. Associated Dairies is the only constituent of the FT-30 Share Index which meets the guidelines laid down.

One possible drawback is that the investor receives a fairly low yield. The initial yield is estimated at 3 per cent.

ERIC SHORT discusses the problems facing a 'socially responsible' unit trust

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The Border & Southern Stockholders Trust p.l.c.

The company aims at a flexible approach to the leading world markets to achieve growth of capital and income. Total net resources £204 million.

Lake View Investment Trust p.l.c.

The company aims to achieve growth of capital and income, principally in the Far East. Total net resources £150 million.

The Stockholders Investment Trust p.l.c.

The company invests primarily for capital growth, principally in North America. Total net resources £97 million.

The General Stockholders Investment Trust p.l.c.

The company invests primarily for capital growth with emphasis on companies with smaller capitalisations, both in the United Kingdom and North America. Total net resources £24 million.

For further information contact Brian Jervis, John Govett & Co. Limited, Winchester House, 77 London Wall, London EC2N 1DH. Telephone: 01 588 5620.



John Govett & Co. Limited

An independent investment management company with funds under management or advice totalling over £750 million at 30th April 1984, including the following four listed investment trust companies:

The Border & Southern Stockholders Trust p.l.c.

The company aims at a flexible approach to the leading world markets to achieve growth of capital and income. Total net resources £204 million.

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The company aims to achieve growth of capital and income, principally in the Far East. Total net resources £150 million.

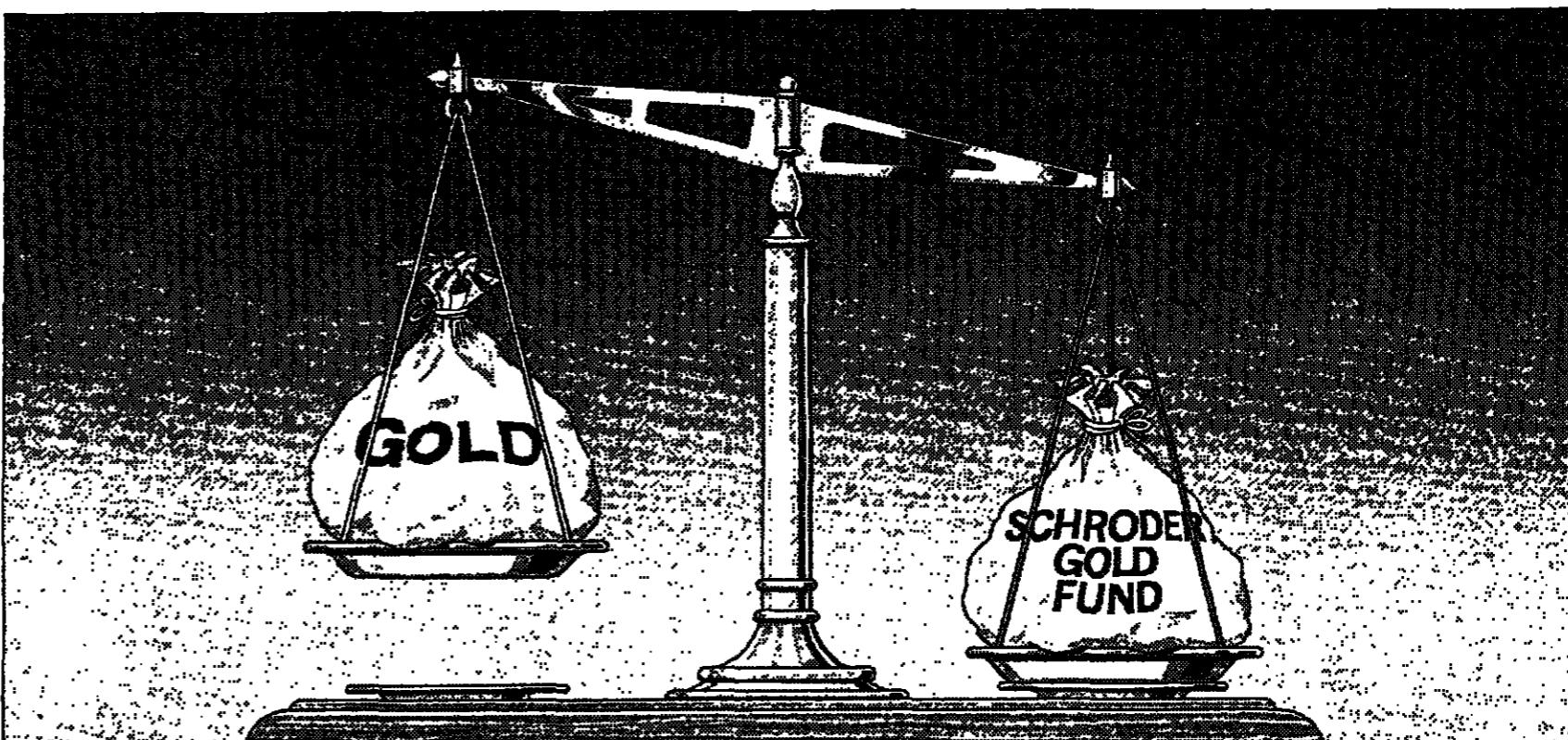
The Stockholders Investment Trust p.l.c.

The company invests primarily for capital growth, principally in North America. Total net resources £97 million.

The General Stockholders Investment Trust p.l.c.

The company invests primarily for capital growth with emphasis on companies with smaller capitalisations, both in the United Kingdom and North America. Total net resources £24 million.

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• Industrial demand for gold is on the increase, and krugerrand sales rose by 36% in 1983 alone.

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Invest without delay

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YOUR SAVINGS AND INVESTMENTS-2

STOCK MARKET

Comfort for those with the jokers

IF YOUR fortune has been cut down to size by last month's slump in the stock market, and with it your self-confidence, perhaps you should turn to stockbroker David Damant for

It all went wrong just when you started to think of yourself as a top-notch stock market player. After all, who else could have had the foresight to buy ICI at 350p, sell London and Liverpool at 600p and switch from the U.S. to Japan last June?

Visions of that yacht and chateau in the south of France were springing up on the horizon.

But that is where David Damant comes in.

His world is an austere one, in which judgment counts for little. When the stock market is shooting up, his view that the tireless pursuit of profit by most stock market players is futile makes him look like a party pooper.

But when the market, and your profits, are crumbling away, the fatalism of his theory is comforting.

Not that you can't lose all your money on the Damant view of the world. But if you do, you don't need to blame it on your lack of judgment or skill. Nor should you feel inferior to those who have been making money. It's just a matter of who was dealt a hand of aces and who a hand of jokers.

All the information and the interpretations of that information which may affect the fortunes of a company are immediately reflected in its share price. Any other price movements are random and unpredictable. So if you got the market wrong, don't torment yourself.

David Damant surveys the City, as Koheleth surveyed the iniquities of ancient Judea.

"I returned, and saw under the sun that the race is not to the swift, nor the battle to the strong, neither yet bread to the wise, nor yet riches to men of understanding, nor yet favour to men of skill. But time and chance happen to them all" (Ecclesiastes 9, 11).

In other words, you can buy the wrong stocks at the right time and accumulate riches, or the right stocks at the wrong time and lose them—but whether you are a "man of understanding" or not makes no difference.

"People are not convinced by

Damant has always been regarded as an eccentric in the City even when he was elected chairman of the Society of Investment Analysts from 1980 to 1982. But in recent years he has toned down his advocacy of the view that the stock market is priced so efficiently that it is difficult, if not impossible, to beat except with a run of luck.

"Back in 1978, I was like an early Christian in ancient Rome," he said. "And when you're trying to convert people who are hostile, you can't afford to make too many qualifications. I used to sound more hard-line."

Had he encountered much hostility from the unit trust and pension fund managers, the stockbrokers' analysts, the researchers and everyone else who makes their living trying to spot undervalued shares and market trends?

Damant pulled his head back into his neck and pressed his long slender fingers together. "In the U.S. people got shouted down at meetings when they mentioned the efficient market theory," he said.

"But over here, people would just say, 'That sounds

CLIVE WOLMAN
interviews one of the most original of the City's thinkers

terribly interesting, and then turn their noses up at it. It is regarded as 'academic' which, in England, is a term of abuse."

But over the last two years, he says, many more City folk have come to understand and accept at least parts of the theory. Only in the last few years has the statistical data been thorough enough to allow the long-term performance of pension funds, unit trusts and investment trusts to be measured to reveal whether the fund manager has achieved returns above the stock market average.

"He also considers that a few small, private investors relying more on instinct rather than detailed analysis are capable of making more money than the professionals. "When all the publicly available information is immediately discounted in the share price, what's going to happen next is a matter of intuition, a seat-of-the-pants judgment," he says.

"And some private investors seem to have a natural talent for seat-of-the-pants." But, he says, that ability is rare.

He darts around the office picking up sheets of information to prove his points. "Not all world stock markets are efficient," he says. "Some are frequently under-valued relative to others." He gives the example of Sweden, which shot up in value when it was discovered by the Americans.

In contrast to the arts or classics background of most stockbrokers, Damant's first degree at Cambridge was in logic. He then went to work for many years with Investment Research in Cambridge, an unusual training ground for a man of Damant's views as it is dominated by chartists.

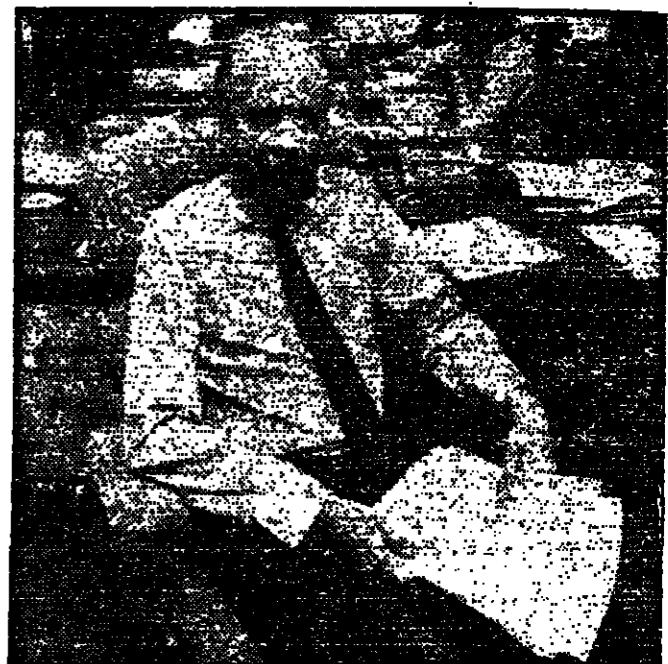
Chartists believe not only that it is possible to forecast stock market movements but also that you do not need to research the fundamental factory to do so. Instead you just look at the previous price movements of any share.

That kind of statement is enough to make most efficient market theorists see red. They believe that share prices "walk" about in a random fashion, the past giving no guide to the future.

But Damant has developed a complex theory which allows him to sit in the middle between these two warring camps. "It's often very difficult for me," he admits.

"The chartists hate the efficient market theorists and regard me as an outcast. But even the efficient market theorists who I get on with, narrow their eyes with suspicion when I tell them I'm interested in chartism."

He smiles mischievously. "The ironclad is something he relishes."



David Damant . . . surveying the City as Koheleth surveyed the iniquities of ancient Judea

argument, only by observation, Damant says. And the observation has generally supported his views. Few fund managers have consistently beaten the stock market index. Damant, aged 47, has been accepted into the establishment. Two years ago, he became a stockbroker and joined Quilter Goodison, the firm of the Stock Exchange chairman. Last year he was made a partner.

Today he is able to put his theories into practice by administering about £100m of pension fund money. His fund is designed to do no more than match the stock market average return by investing in all the largest 750 companies without discrimination, or active management.

Damant too is anxious to distance himself from "the hard-line theorists of Chicago." He believes that it is possible to make money by investigating at least the smaller UK companies which are under-researched.

Only with the 200 to 300 largest companies are there unlikely to be any returns from a thorough analysis, he believes.

He also considers that a few small, private investors relying more on instinct rather than detailed analysis are capable of making more money than the professionals. "When all the publicly available information is immediately discounted in the share price, what's going to happen next is a matter of intuition, a seat-of-the-pants judgment," he says.

"And some private investors seem to have a natural talent for seat-of-the-pants." But, he says, that ability is rare.

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The really big capital gains are enjoyed by those fortunate few who are able to invest in a successful company during the very early stages of its growth—well before it comes to the stock market. And that's not normally an opportunity open to the private investor.

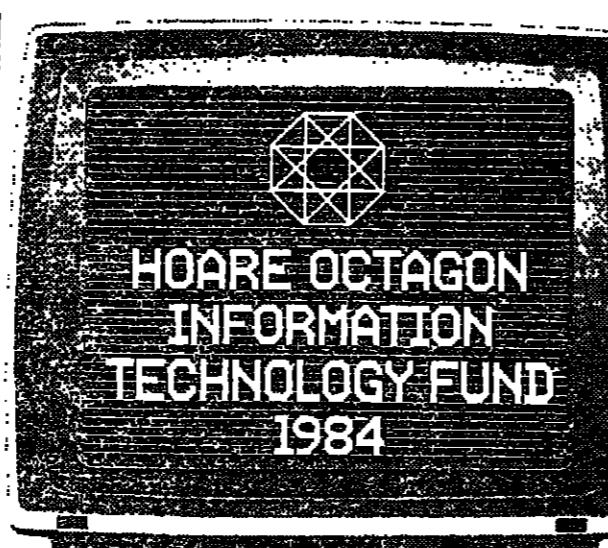
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Hoare Govett is one of the UK's largest stockbrokers. It places high priority on investment research, and with three analysts specialising exclusively in the electronics sector, has particular expertise in the field of information technology.

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YOUR SAVINGS AND INVESTMENTS-3



BANKING

Adam for madam

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Adam's founders are Mr Ian Dalglish, soon to retire as a conservative member of the European parliament, and Ian Noble, of Noble & Co, fund managers.

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- A Diners Club card with a direct debiting system to settle accounts.

Mark Meredith

FRIENDLY SOCIETIES

Knockout blow from taxmen

THE DAYS of the tax-sheltered friendly society are numbered.

An announcement by the Government this week is intended to finish off what the Chancellor started in his Budget: to curb the operations of such friendly societies in the savings market.

Before the Budget, the new-style friendly societies could market savings contracts up to a sum assured (the minimum death cover) limit of £2,000 per person. This meant that an individual could save up to £20 a month net (£23.53) with the life assurance tax relief in a savings contract investing in tax-exempt funds and drawing the benefits after 10 years' tax-free.

Husband and wife could jointly invest double these amounts, leading to a sizeable investment. Most plans were taken out on a husband-and-wife basis.

Business soared in the months ahead of this year's Budget, when over 300,000 contracts were sold. But the Chancellor's measures, severe as they were, still did not kill off existing societies. They reckoned that they could continue to offer viable savings contracts for significant amounts even under the new reduced limits of £750 sum assured and £156 per annum annuity.

The secret was to combine the two contracts and allow the saver to cash in or commute his annuity contract for a tax-free lump sum.

By adding this cash sum to the benefits under the assurance contract, the saver was still able to produce a sizeable sum after 10 years.

This was the basis of the "Tax Free Plan" launched by Lancashire and Yorkshire Assurance Society last month, and its chief executive Peter Kent was optimistic that this new plan would still be well worth selling and popular with investors. Other societies took a similar view and were launching their versions of the concept.

The Government also thought that this new idea would succeed because it has been swift to quash it before it really got off the ground.

It is proposing that any cash-



in or commutation value under an annuity contract will be aggregated with the sum assured under the assurance contract and any excess of the total beyond the £750 limit will be subject to full income tax — basic and higher rate — on the profit (the excess of the sum over the premiums paid).

The necessary legislation will not be introduced until the next session of Parliament. But it will apply to all contracts issued from yesterday, Friday June 1, 1984.

So friendly societies now can only offer a savings plan with a sum assured limit of £750 — implying a premium of £105 a year together with an annuity policy paying an annuity of £156 per annum or £3 per week.

A savings contract investing £105 a year is small beer. Even the most downmarket of life companies will not accept anything less than £10 a month. And what use is an annuity of £3 per week in the 1980s, let alone the next century?

While societies are still recovering from the shock, they are wary of making pronouncements on their future. But it looks bleak.

One thing is for sure, no one will start up a new one and the existing ones must be seriously considering ceasing new business and running off their existing contracts.

The friendly societies this week received another shock from the taxman. The Chief Registrar of Friendly Societies and the Inland Revenue have revealed that, in the opinion of counsel, the new-style societies exceeded their powers in issuing most policies.

However, existing policy-holders need not worry. The Government has accepted that these were issued in good faith and the legislation will effectively "legalise" the contracts. They will get the full benefits.

Eric Short

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My/Ms/Mrs

Pitfalls of a stake with the boss

THE BUDGET announcement of new approved share option schemes for employees has been greeted enthusiastically. Companies have been queuing up to get their schemes approved by the Inland Revenue, according to recent reports.

The new schemes have several attractions. The company now has the right to restrict a scheme to just a few employees and the individual investment limit has been raised to £100,000, or four times annual salary if greater.

But the employees of a quoted company can realise his gains easily enough, provided the share price has increased, by selling in the market. But in an unquoted company an employee's holding is likely to be locked-in at least until he changes jobs.

Since no company is likely to be happy with ex-employees

at his marginal income tax rate of up to 60 per cent. In contrast, any profit made on shares acquired under an Approved Scheme will carry only capital gains tax, chargeable at a flat rate of 30 per cent, after allowing for the annual exemption of £5,600 and disregarding purely inflationary gains.

Approved schemes are likely to be popular with unquoted companies for at least three reasons. Share options may spur employees to greater efforts, an unlikely effect in a large conglomerate.

The absence of a market in the shares gives scope to pitch the option price generously. Thirdly, there will be none of the restrictions which the stock market and institutional investors impose on the schemes of quoted companies.

In quoted and unquoted companies alike, the decisive reason for giving share options in the form of an Approved Scheme is for the tax breaks.

Normally, when an employee sells shares given to him by his company any profit is treated as part of his salary and is taxed

the shareholder's marginal rate. So the tax advantage of using an approved scheme is nullified.

There are exceptions to this rule, when the profit may be treated as a capital gain, not as income. The 1982 Finance Act allows an exception when the buy-back of the shares is for the benefit of the company's trade. This would probably be accepted by the Revenue when the employee was leaving his company though not, perhaps, if he was staying on and only selling because he needed the money.

In addition, the employee must have held the shares for a continuous period of at least five years. Time will not start running until he has actually exercised the option.

But since the option cannot be exercised in its first three years, the employee will have to wait for at least eight years after the grant of the option. Otherwise he will have to pay income tax on his profit.

Even if these problems are overcome, the employee shareholder may still be deprived of his tax advantage.

The last time a Conservative government introduced an

employee share scheme which, like the 1984 scheme, allowed companies to discriminate in favour of certain employees (such as managers), the next Labour government promptly scrapped it.

If that happens again, employees who have exercised their options but not yet sold their shares might find themselves paying income tax on their profits.

Employees of quoted companies might be able to sell quickly enough to avoid the effects of any new legislation. But most employees of unquoted companies would be stranded.

None of these arguments

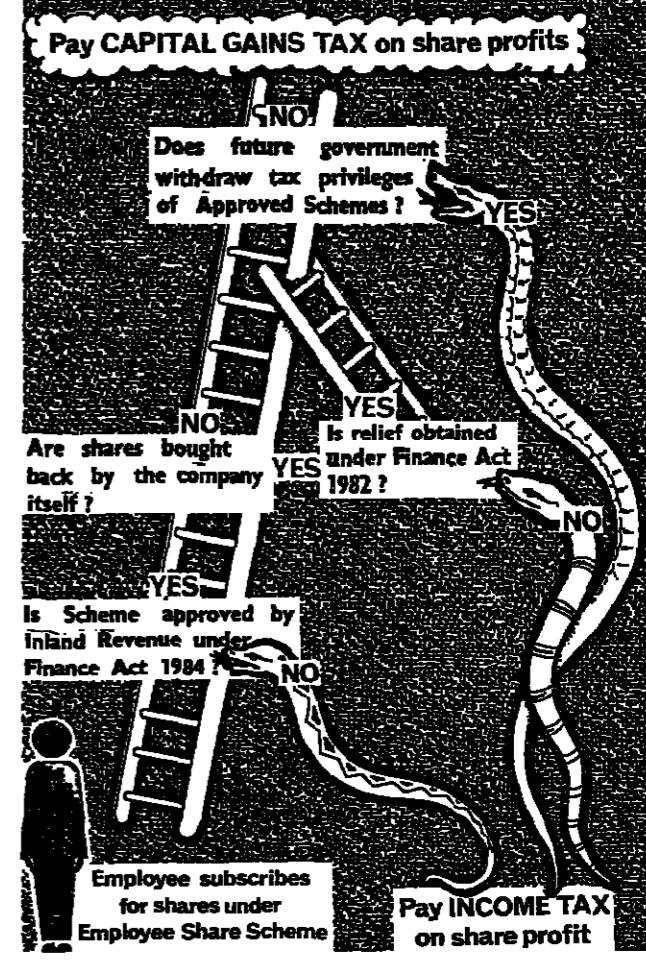
should be by themselves, determine an employee of an unquoted company from joining an approved scheme. The option itself will usually cost nothing and will not commit the employee to take up any shares.

But when the option becomes exercisable, he should review the situation. If the shares are then quoted—and at more than the option price—he can either take an immediate capital gain or hold on to the shares as an investment.

If they are still unquoted however he should think very carefully before committing part of his savings to an investment which may turn out to be not only difficult to cash in but also highly taxed.

• David Cohen is a solicitor practising in London.

The snakes and ladders of tax on share options



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PROPERTY

What's going, going, gone?

BY JUNE FIELD

ONE INDICATION that the residential property scene is swinging from a buyer's to a seller's market is the current increase of auctions. This is a change from last year when around this time I wrote of a southern counties sale I attended, where pretty little cottage never reached the £25,000 reserve and was withdrawn.

Particularly as it should be borne in mind that a reserve does not necessarily represent the price that a vendor wants to achieve, but rather the absolute minimum that is acceptable.

And the property is only "in the room" that is it can be sold to a genuine buyer, after the reserve has been bid.

Setting an unrealistically high reserve naturally discourages bidders, warns auctioneer Robin Crieff of Bernard Marcus, who regularly holds sales of vacant, part vacant and investment houses and flats. In April, of 200 lots on offer, 140 sold in the room.

Very often, of course, private negotiations are conducted after a lot has been unsuccessful, as happened on part of Lane Fox & Partners' recent auction of the May House, Farnham, Hampshire.

The main house sold for £42,500 and lot 2 attracted interest after it was withdrawn from the room.

Or sometimes a place will be

sold on a good firm offer before it reaches the room. Yehudi Menuhin's home, 2 The Grove, Hitchin, Herts, was sold through the Knightsbridge office of Knight Frank & Rutley in conjunction with Aldine Honey & Co. for an undisclosed sum just before the planned auction a few weeks ago.

The considerably reduced guide price quoted was in the region of £650,000.

At a recent Whiteheads sale in Southsea of 14 lots, mainly residential, £358,000 was raised.

Auctioneer Colin Wilton Smith says he sees a steady increase in the value of auction properties.

"Houses in need of modernisation are the best performers, on average they command about 10 per cent more than six months ago."

The old adage that house buyers do not pay for a view was confounded by last month's sale of Station Cottage at Kirkham, near Malton, North Yorkshire. Bryan Jarman, Jackson Stops & Staff's York office, reports:

"The former railway cottage is in need of complete modernisation, and has no drainage or sanitation. But there is a superb view over the 12th century Augustinian Abbey on the banks of the River Derwent. 'Spirited bidding' drove the guide price of £15,000 to £20,000 up to £45,000, throwing out all theories of valuation."



Red House Farm, Elstead, near Godalming, Surrey, goes to auction on Thursday, June 14 either as a whole or in nine lots. Guide price on lot 1, the 16th century farmhouse together with a cottage barn, stables, paddock, tennis court and 20 acres is £190,000. Details C. J. Brockhurst, Messenger May Baverstock, 8 Quarry Street, Guildford, Surrey (048 57299).

Successful or not, an auction will cost both seller and bidder money. The seller has to pay for the agent to prepare the sales brochure, advertise the property, hire the auction room and so on, plus solicitor's costs for the Memorandum of Sale which goes in the brochure. Commission fees go on top after a sale is eventually completed.

The would-be buyer will also have to spend on legal and survey fees, obligatory before the sale, as the Memorandum in the brochure has to be signed on the spot after the fall of the hammer.

It is legally binding, and a completion date is usually specified in the stipulations or conditions of sale set out in the particulars.

The absolute basic costs for putting to auction a small country cottage expected to fetch £50,000 to £60,000 could be in the region of £1,000 to £200,000, plus legal fees and commission. This would cover local advertising and sale posters, about £500, 600 to 700 brochures with photographs, about £400, plus £100 to cover auctioneer's fees, hire of room, incidentals and so on.

As Peter Lowndes of Lane Fox and Partners in North Audley Street, W1, points out, it could be done for less. Much depends on the quality of the promotion you want.

"And of course for a really good country house that needs a smart, glossy brochure and national advertising, in the £200,000 to £400,000 bracket, the costs could be nearer £3,000 to £4,000."

The important thing is to get as much exposure and interest as possible in a property during the six weeks or so launch period. It is no good our turning up at the auction room and finding that there is no one there to bid."

The major attraction of an auction, of course, is that the buyer cannot be "gazumped" by another bidder.

In a depressed Irish market the mansion is now estimated to make in excess of £150,000 (£400,000).

The same reader complains that the white-flowered variety of the everlasting pea, *Lathyrus latifolius albus* (or White Pearl in some lists) has become very hard to obtain. This does appear to be so and it may be because nurseries, misled by the synonym White Pearl, have regarded this as a garden variety needing to be increased vegetatively in order to keep it true to type, a method not suited to this species.

White flowers appear in the wild, white breeds true from seed if grown in isolation from pink or rose and this is the best way to propagate this very attractive plant.

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A question of colour

NOT EVERY movement in the plant world is forward and we lose fine varieties as well as creating new ones. A reader has sent me a photocopy of a page from Shirley Hibberd's book *Familiar Garden Flowers* in which he discusses dwarf annual tropaeolums (nasturtiums) for summer bedding.

He starts by observing that they are "extremely showy but so coarse and weedy that they are not to be regarded as first class bedding plants" but goes on to state that "this depreciation . . . would hardly stand in the face of a group that has recently appeared on one of the lawns (at) the Paris Exhibition of 1878. This group contained about thirty sorts, every plant being a model of growth and beauty. The flowers comprised white, primrose, orange, scarlet, crimson and purple and a few that inclined to chocolate and slate colour."

I have asked many people, including some of the most knowledgeable breeders of annuals, if they have ever seen, or even heard, of white nasturtiums and the reply is invariably no. Nor, for that matter, does anyone recall chocolate or slate coloured nasturtiums, but I do not bother so much about that since these colours would surely be unattractive. But white could be useful and so could purple if it means a good plumy colour and not a harsh magenta.

Where did these colours come from more than 100 years ago and how is it that they have not only disappeared but apparently passed out of recollection? I have no idea and no reference book or encyclopaedia I have consulted throws any light on the matter.

But if they existed in 1878 and Shirley Hibberd was a highly experienced and respected reporter of the garden scene—it would seem certain that it should be possible to recreate them now.

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GARDENING

ARTHUR HELLYER

Even starting with mixed seed it should not be difficult to pick out the white-flowered plants and grow them in isolation. Once the plants with coloured flowers have been eliminated all subsequent plants should give white flowers. Thompson and Morgan, of Ipswich, offer seed of White Pearl and this would give the easiest method of making a start.

There remain the twin problems of hardiness (or longevity, which is not quite the same thing) and propagation. In some respects the two are related, for if there were a certain method of rooting cuttings it would be easier to increase plants with the most promising constitution.

It seems likely that the new liquid root-promoting chemical Syngro, which I mentioned recently, may provide the solution to this problem. If so we are another step forward on the road to reliable red delphiniums.

For more surprising than the lack of white nasturtiums and hardly red delphiniums is the continued absence of really yellow sweet peas. Yellow is one of the commonest colours in the pea family, though not *Lathyrus odoratus*, the mainly purple-flowered *Silene* ancestor of the garden sweet pea.

Yet one would have thought that somewhere in that family a mate could be found to bring in the missing colour. But the nearest we ever get is *Syngonium*.

The story I was told was that when a strange one, *Syngonium*, was employed a young scientist to attempt to cross red delphinium species with garden varieties but after years of failure the quest was abandoned. The next year a clear pink-flowered delphinium appeared among the seedlings and was named Pink Sensation.

It is still available and it is a pretty plant but of poor constitution and so a collector's piece rather than a useful garden plant.

Meanwhile other breeders

are still available and it is a pretty plant but of poor constitution and so a collector's piece rather than a useful garden plant.

Almost every year yellow flowers duly appear, but they all proved to be whites or creams that had been made to absorb yellow dye. I still hope that the full yellow sweet pea will turn up somewhere someday.

Under the hammer now

Scheduled auctions should always be checked before viewing, in case a deal has been struck before. Current listings include:

• June 7: Haughton House in 12 acres in Oxfordshire, is late Georgian with five bedrooms, and has a price guide between £150,000 and £200,000. (Patrick Ramsay Knight Frank & Rutley's Knightsbridge office, 01-629 8171, and Mark Forsythe-Forrest, Lambert Way & Co, 0808 41914).

• June 11: Fox Hill in 14 acres at Inkpen, near Newbury, 7½ miles from exit 14 and 13 of the M4, includes the 18th century house and a modern cottage and is expected to fetch about £220,000. (Janine Watson, Lane Fox and Partners, 01-498 4785.)

• June 14: Red House Farm in 120 acres in Elstead, Godalming, Surrey with a 350 sow and bacon unit, is being sold by Mr and Mrs G. F. C. Mellstrom, who keep brood Cleveland mares and are moving.

The property can be bought as a whole or in nine lots and the guide price for lot 1, the 16th century farmhouse, barn and stables in 20 acres, is £190,000.

C. J. Brockhurst, Messenger May Baverstock, 8 Quarry Street, Guildford, Surrey (048 57299).

Hampshire, with its four-bedroom brick and flint house, two loose boxes and workshop is expected to fetch in excess of £100,000 (Janine Watson, Lane Fox & Partners, 01-498 4785.)

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The new Mitsubishi Space Wagon

Small space — big load

BY STUART MARSHALL

IF YOU REGULARLY have to carry up to seven people or bulky thinks like furniture of a combination of the two, there is only one answer. You have to buy a really large estate car like a Volvo, Peugeot 505 or Citroen Safari, don't you? Actually, you don't any more. There is an alternative and they call it the Mitsubishi Space Wagon.

It is the latest of a new generation of one-box and one-and-a-half box cars that should be giving the makers of large conventional estate cars sleepless nights.

The one-box load and people carrier has been with us for more than 30 years in the shape of the rear-engined Volkswagen Microbus. It's a logical vehicle, but it doesn't look like a car which is not surprising, because deep down it is a van with windows and seats. Toyota's recently introduced Space Cruiser, though front engined, is similar in concept.

But the Mitsubishi Space Wagon (and, come to that, the smaller, five-seat Nissan Prairie and Honda Shuttle) have stubby little bonnets and I think of them as one-and-a-half box vehicles. By my definition an estate is a two-box car. But why have a four- or five-foot long bonnet when you can have a transverse engine driving the front wheels? It lets your load carrier be much the same inside as a large traditional estate but take up no more road—which means parking-space—than a medium-size family saloon.

As a bonus, it is a little taller which allows the occupants to sit more upright, though no less comfortably, than they do in a normal car. Not least of the Space Wagon's features that impressed me when I tried it briefly last week was the sheer luxury of the front seats. They

made driving or riding up front feel like travelling business class in a jumbo jet.

The Space Wagon is a surprisingly lively performer. The engine is a 1.755 cc four-cylinder with balanced shafts that let it rev as smoothly as a six up to high speeds. For example, at 85 mph in third gear it is turning over at 6,000 rpm but without any signs of mechanical frenzy. The five-speed box has a silken shift and a fairly high top gear. At a motorway 70 mph in fifth the Space Wagon's tachometer is showing 3,000 rpm.

There is an immense amount of storage space for odds and ends—have you ever seen a car before with two glove lockers, one of them big enough to hold two 35mm SLR cameras?—and the seat permutations are endless. The Space Wagon will double as a minibus or a van and one could certainly put several children to sleep in the back on a long journey.

It is quiet. At a speedometer 100 mph I could still hear the standard LW/MW radio. Independent suspension all round gives an excellent ride. Cornering and handling is of car standard and the rack and pinion steering is power assisted. Equipment includes central door locking, tinted glass, rear wash/wipe and electro-magnetic tailgate opener.

As standard the Space Wagon deserves careful consideration as a large estate car alternative. The price includes a three-year, unlimited mileage warranty and a mid-30s fuel consumption of two-star should be possible.

Also new from Mitsubishi this week are front-wheel drive Lancer replacements. These cleanly styled four-door saloons come with a choice of 1.2 or 1.5 litre petrol engines or a 1.8 litre diesel. They are all independently suspended, have five-speed gearboxes (or optional automatic on the 1.5) and are extremely roomy in the front, only averaging 50 in the back. The 1.2 is faster in fourth than in its tail, economy fifth but is most relaxed on the motorway. The 1.5 feels a meatier car, with better flexibility in the top two gears. The 1.8 diesel has lots of torque low down and, two up, stormed up a long gradient in fifth, accelerating all the way.

Other new models to arrive on the British market this week include front-wheel drive Nissan Bluebirds with transverse engines (among them a 1.35 hp 1.8 litre turbo) and the Hyundai Stellar. The Bluebirds are in the Cavalier/Montego size and price brackets (from £6,095 to £8,250) and the Stellar, 4.9ft 6ins long and 1.6 litre engined, looks a bargain at £4,497 to £5,893 for the automatic GSL. I haven't tried the Bluebird at all and my only experience of the Stellar was three brisk laps around Donington racing circuit. All I am prepared to say about it is that the Mk IV Cortina appears to be alive and well and made in the Republic of Korea.

Electric cars

MY THANKS TO the many readers—too many, I fear, for individual reply—who answered my appeal two weeks ago for views on the battery-electric car, soon to be launched by Sir Clive Sinclair, of calculator, home computer and pocket TV fame. So far, most of the writers seem to like the idea of a car you refuel by plugging it into the mains. Many say they would be happy to buy one—if the price was right. I will be analysing the correspondence and how to return to the subject later this month. Meantime, more letters will be welcome.

BY ARTHUR SANDLES

PONDER, for a moment, on the subject of sardines. In my youth I knew them only as tiny headless creatures that lived in tins, tightly packed in oil. Even then their origins seemed to be exotic.

I conjured images of a southern beauty called Isabel working away at some wind-swept quayside. Isabel's tins always seemed to have a few specks of sand around them and the odd touch of sea induced rust.

Since then I have seen Isabel and her kin. She has aged somewhat from my fantasy and tends to wear black. But her sardines are wonderful.

The thing about normal, uninned, sardines is that they are virtually impossible to cook at home. They are difficult to find fresh; the smell permeates the whole house if you cook them properly (rapid grilling or broiling at a high temperature); and days fine enough for outdoor barbecueing in the sardine season are rare in Britain.

For all its sleepy atmosphere the Algarve is well used to turnmoil. Its location and terrain made it a battle ground between Moors and Portuguese for centuries.

Later, when the area was under Spanish rule, the British virtually destroyed first Sagres and then Faro. As if this was not enough the earthquake of 1755 sent a tidal wave four miles inland and most buildings were levelled or damaged. And now there are the tourists.

Their main impact can be seen in the former small fishing villages, notably Albufeira and, more recently, Carvoeiro. There may be those that disagree but I feel that Albufeira is a much nicer place today than it was a decade ago, and Carvoeiro much worse.

Albufeira went through a dreadful stage when it was still trying to be a small Algarve village in spite of the visiting hordes. Now it has resigned itself to its fate and settled to a noisy, bustling tourist centre where everything is geared cheerfully to the visitor.

Carvoeiro is still in the larva stage, going through its period of expansion but still not quite sure that it wants to.

I would not choose to stay in or near the centre of either of them—the curse of the whining Honda haunts both at night. However, many places have either an Albufeira or Carvoeiro address are in fact well out of the towns and thus safe from the ear splitting blitz of motorcycle engines.

The local wine flows (they do serve white, but would not recommend it) and crisp fresh bread is broken. For a sardine enthusiast it is heaven.

Whether it is simply the sardines the Algarve has become a major hunting ground for the British over the past couple of decades. The building of Faro airport opened up a hidden stretch of Europe to sunshine hungry northerners. The results have been mixed.

The Algarve is Mediterranean in mood but Atlantic in location. Only 20 years ago it was hardly known on the tourist map. Now it is a major destination for the real Algarve lives on. Many a morning I have spent nudging elbows with local housewives in frantic debate over the cost of that morning's catch. Lagos market is my favourite, a little inland and all the better for that.

Fish tends to be fresh all along the Algarve, but to be actually landed via Villa Real de Santo Antonio, Tavira, Lagoa, Faro, Portimao, Lagos and Sagres. In my mind, however, Portimao remains the favourite.

There is no need to pin-point the restaurants concerned—you can smell them a mile away.



Fisherman repairing their nets in the Algarve port of Tavira

ALGARVE FACTS

THE ALGARVE is not the cheapest destination on earth, but living costs once you are there tend to be low. A peak season package to a luxury hotel, with gold course and beach setting, will cost over £600 per person, half board.

Less sybaritic demands would bring a package total down to nearer £400.

Expect to pay around £400-£600 per person for four people sharing a nice detached villa, with pool and maid service, in high season. This price would include a small car and might cover a villa built to take more people. Go for a smaller terraced house with shared pool and the same four might pay around £325.

The price would fall below £300 sometimes for the rental of an apartment for two weeks in high season.

Unless you are totally dedicated to staying in one place all the time a car is an essential on the Algarve, certainly to get the most out of the area. It is probably best to book this through the tour operator if it is not included in the overall price but all the major rental companies have special holiday car deals for the region.

Extras like airport taxes and car rental can feature in Portuguese holidays so count up the totals as well as the basic price before booking.

Shouts of "Fore!" in Sri Lanka

BY PHILIP RAWSTORNE

WANDEROO MONKEYS

WANDEROO MONKEYS boomed from the jungle of the mountain slopes: across the stream a water buffalo chewed reflectively. Women in brightly coloured saris drifted along a path.

"Fore"—the call came as an abrupt reminder of the game in progress, though this was a far cry from St Andrews or Walton Heath. This was golf at Nuwara Eliya, 6,200 ft up in the mountains of southern Sri Lanka.

Many of the Britons who left home for the outposts of Empire towards the end of the last century took their golf clubs with them. And the courses which they laid out for their sport in those distant places are now luring more migrant golfers whose usual winter haunts in Southern Europe are becoming crowded.

From November, Golfin, an associate company of Sherpa, known mainly for its adventure treks in the Himalayas, will be offering golfing holidays in Sri Lanka—rare packages of sport, sun, scenery and sight-seeing. Our four-ball were pathfinders for the Sri Lanka tour.

A 14-hour flight by KLM from London, via Amsterdam, to Colombo left none of us eager to rush to the first tee. We washed some of the jet-lag away on the beach at Negombo's Goldi Sands Hotel, then took a minibus to Kandy, the ancient capital where, in 1815, British troops ended the 2,500-year rule of Sri Lankan Kings.

Ox-carts ply the route through palms whose topmost shoots are tapped for toddy, past men with mattocks tilling muddy fields and elephants bathing in the rivers.

Kandy itself offers a fresh and fascinating insight into the country. We joined the evening pilgrimage to the Dalada Maligawa, the Temple of the Sacred Tooth of Buddha, where flutes and drums accompany white-clad girls bearing scented frangipani blossoms to lay before the relic. Then to the Kandy Lake Club to see the folk dancers stamp through the whirling patterns of old rituals and the firewalkers step through a pit of glowing embers.

On the next day, after a three-hour climb through the tea plantations of the Ramboda Pass, to Nuwara Eliya, the one-time British hill station which still retains much of its Victorian character. Our base at the Hill Club exudes old-fashioned comfort. There are deep, leather armchairs and out-of-print books, a snooker room and, for the cooler nights at this altitude, log fires and hot water bottles.

In the valley below lies the golf course, set out in the 1880s by expatriate tea-planters and officers of the Gordon Highlanders, who brought their native game to it.

The Times of Ceylon reported the social impact in 1890 of the club's foundation: "Golf fever continues to be prevalent . . .

Nearly every gentleman in the place is becoming a most enthusiastic player and this has materially interfered with tennis. The other evening, no less than 14 gentlemen were playing golf while 13 lovely ladies were waiting anxiously on the Hill Club tennis courts."

combined with modern comforts we took our clubs to the more-frequented Royal Colombo course. The names on the honours boards in its picturesquely black-and-white timbered clubhouse testify to the origins of its founders in 1879—Duncan, Robertson, Urquhart, Findlay, Aitken.

The par 71, 6,421-yard course is a tough test of golf in conditions much hotter and more humid than Nuwara Eliya. Water or out-of-bounds threatens almost every tee shot. Theilly-covered ponds come into play on 11 holes—and old men have made their living by plunging into the water to retrieve the golf balls at five rupees (15p) a time.

With five par 4 holes of more than 400 yards, trouble lurks for slicers on the outward half and for hookers on the inward stretch, virtually the only relief that anyone is likely to get is a free drop from an anti-hill.

But a par secured from a bunker at the last hole sent us happily to cooling drinks on the verandah, and then back to the relaxing beach at Negombo and a lobster dinner before the flight home to Heathrow's rain.

Golflink, 131A Heston Road, Hounslow, Middlesex TW5 0OR, plan 14-day holidays in Sri Lanka from £850.

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WINE

JULY 1984



Customers selecting wine at a big West London supermarket (left). Supermarkets now account for 55 per cent of off-licence sales

Off-licence chains fight back

COCKTAIL SHAKERS and sticks, and delicate red and blue rimmed glasses are among the weaponry being deployed by one of Britain's major off-licence chains in its battle for a share of the buoyant wine market.

Last month Victoria Wine, a subsidiary of the Allied Lyons brewing and food group, announced plans both to change the image of its 800 off-licences and to bring new management techniques into a fairly traditional business. The target is the market share lost by the specialist off-licences to supermarkets in recent years.

Supermarkets, which have successfully developed "own label" light wines now command about 55 per cent of off-licence sales of wine, a market estimated to be worth about £700m. The growth of off-licences in supermarkets is illustrated by the advance of Tesco, which sells 80 per cent of its wines under its "own label". It had eight off-licences in 1967, a figure which has now grown to 34.

Major brewers, who own 6,000 of the 41,000 off-licences in the UK have generally been slow to fight back against supermarkets who have offered "own label" products at cheaper prices to the wine buyer of today—the female shopper.

Allied Lyons' plans for Victoria Wine are just one sign that the brewers have now recognised this. They are trying new strategies to win both market share in the off-licence light wine market and to provide better quality wines in public houses. (These, too, have been losing market share to the wine bars which have been springing up, offering a wide variety of wines to an increasingly wine-conscious public.)

Victoria Wine itself—which has been making diminishing profits of late—is giving a Habitat-look to its outlets and offering services which it claims are not provided by supermarkets. These include discounts on cases of wine, free delivery on orders over £25, and a "selector system" which sorts wines into different classifications of sweetness or full-bodied nature. "We are aiming at a new sort of customer who may be afraid to ask for

assistance in choosing a wine," the company says.

Another big off-trade supplier International Distillers and Vintners, the Grand Metropolitan wine and spirits subsidiary has opened two experimental wine hypermarkets in Southampton and Cambridge. Progress so far is "fair" the group says.

A second strategy has been to expand off-licence retail outlets. Whitbread, Britain's fourth largest brewer, last year paid £18m for T. F. Ashe & Nephew, a chain of some 325 off-licences mainly in the North and Midlands. Last August, Bass paid £6.8m for the Augustus Barnett chain of wine and spirits shops.

Most recently, Seagram Distillers, a major wine and spirits group, made its first venture into the British off-licence trade. In March it purchased a 75 per cent share in Oddbins UK, and in May it bought Gough Brothers, a chain of 155 off-licences mainly in London and the South East and previously owned by Scottish and Newcastle, the Edinburgh-based brewery group.

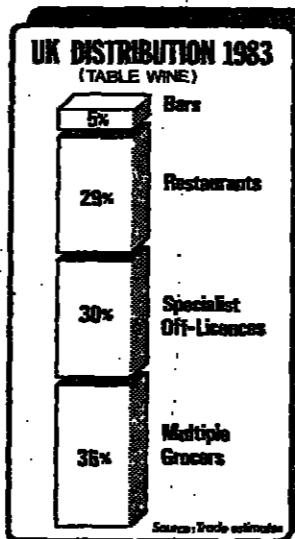
A retail base, said Seagram, part of the giant Canadian-based Seagram group, the world's largest distiller, would help both distribution of its brands and provide a platform from which to launch new products.

Within weeks of the acquisitions Seagram launched two new branded light wines, Partager and Brolo Chianti Classico.

All the brewing groups have their own brand names, either used on single wines, such as Whitbread's Crown of Crowns, or on ranges such as Hirondelle (Bass). Brands, however, excluding multiples' "own labels", have only a small share of the market and no single brand has more than 5 per cent.

The big brewers are anxious to build up sales of these brands but are finding the selling policies of the supermarkets a major obstacle.

Mr James Espay, managing director (homes sales) of International Distillers and Vintners, the Grand Metropolitan subsidiary observes: "People like brands, but at the moment there is great controversy in the industry over own label."



"With pressure on shelf space in the supermarkets brands are taken off if they are not an immediate success. Innovation of new brands should be encouraged but it takes time for brand to take off. It is right for stores to have their own label products, but they also need manufacturer's brands to provide consumer choice."

Many manufacturers of branded wines, generally supported by substantial advertising, are finding it more difficult to innovate new brands, he argues. "We need the supermarket trade and we must grow together," said Mr Espay.

Multiple retailers strongly deny that own label products reduce consumer choice.

The company, for example, with Stowells of Chelsea, the Whitbread subsidiary, supplies about 70 per cent of the growing market for three litre wine boxes or as Colman's prefers to call them, casks. However, the two companies only supply about 37 per cent of their total production as own branded products. The rest is supplied as own label.

"This development has helped us to have more efficient production runs and gain competitive advantages because of the added purchasing power," Mr Duncan says.

Packaging, too, had helped to widen the light wine market to a greater number of consumers, although the traditional glass bottle with a cork still commands more than 80 per cent of the market, he claims.

"There is room for all of us. The trouble with the wine market however is that anybody can go and purchase shipments of wine. That market is totally free."

Colman's does supply its wines as own label products. "Own label" production gives us added buying strength in the market place," said Mr Duncan.

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A brandy with a difference

ARMAGNAC

GRAHAM LYONS

RECENTLY THERE has been a noticeable increase in the interest the public is paying to the brandies of Armagnac. The greatest Armagnac of all is that of Monsieur Gerard Laberdolive, whose family has now been distilling Armagnac for over a hundred years.

Two years ago I stayed with my wife at the Hotel Les Pres et les Sources d'Eugenie where Michel Guerard serves his famous cuisine minceur and cuisine gourmande dishes. There was an array of M. Laberdolive's Armagnacs, variously marked with from three to seven gold stars and bearing vintage labels going back to 1911. The sommelier spotted my interest and told me that I was only an hour's drive from M. Laberdolive's distillery. A visit was arranged.

Gerard Laberdolive turned out to be an easy going, warm and affable man in his fifties.

He explained how his grandfather had originally started

distilling Armagnac in 1783.

His father's first vintage was

the famous 1883 and his own

was in 1942.

Older and more precious

Armagnacs were either stored

in small barrels or in glass

casks when they were judged

to have acquired sufficient

contact with the oak. Ullages

barely worried him. Certainly

in the case of older vintages

he considered that an ullaged

bottle in most cases indicated

a more concentrated Armagnac.

I have combined some vintages

notes from M. Laberdolive

with my own notes of the

following eight vintages.

1976: Alcohol content 42 deg.

Dark amber colour. Fine

maturing bouquet. Points for

bouquet 7. Pleasant though

slightly harsh taste. Points for

taste 6. M. Laberdolive

comments: "Both round and

racier. Long on the palate.

A penetrating colour. Rich and well

balanced with a full compact

body."

1985: Alcohol content 43 deg.

Fresh, clear bouquet which did not

improve on being warmed by

hand. Points for bouquet 4.

Young, immature taste but

beginning to show character.

Well balanced with no harshness.

Points for taste 4.

1964: Alcohol content 44 deg.

Dark brown colour. Bouquet

a little dull. Points for bouquet

6. The texture was fine and

smooth but its taste a little sub-

ddued. The alcohol appears to

be taking over. Points for taste

7. M. Laberdolive says: "A well

rounded bouquet and long on

the palate, making you remember

the land from which it comes and the fruity harvest of

its year."

1964: Alcohol content 40 deg.

Dark brown colour. Almost

immediately filled the room

with its huge pungent bouquet

which was overwhelmingly frag-

rant. Points for bouquet 10.

A fine smooth taste. Points for

taste 9.

1978: Dark brown colour. Dis-

creet light perfumed bouquet

taking several minutes before the

the complete beauty of its

fragrance was reached. Points for

bouquet 9. A complex, con-

centrated, brassy wine with an

earthy spiced taste. A com-

plete Armagnac. Points for

taste 10.



To drink in 20 or 100 years' time?

improve old Armagnac because it meant that fresh oxygen was introduced.

However, he disapproved of using wax seals as he had found that the alcohol ate into the corks and eventually the brandy took on the slight watery taste of the seals.

Ullages barely worried him. Certainly in the case of older vintages he considered that an ullaged bottle in most cases indicated a more concentrated Armagnac.

I have combined some vintages

notes from M. Laberdolive with my own notes of the

following eight vintages.

1976: Alcohol content 52 deg.

Clear light amber colour. Fresh

clear bouquet which did not

improve on being warmed by

hand. Points for bouquet 4.

Young, immature taste but

beginning to show character.

Well balanced with no harshness.

Points for taste 4.

1964: Alcohol content 44 deg.

Dark brown colour. Bouquet

a little dull. Points for bouquet

6. The texture was fine and

smooth but its taste a little sub-

ddued. The alcohol appears to

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BOOKS

Foot takes a view

BY MALCOLM RUTHERFORD

Another Heart & Other Pulses
by Michael Foot, Collins, £8.95.
220 pages

The British General Election of 1983
by David Butler and Dennis Kavanagh, Macmillan, £25.00, 388 pages

Michael Foot takes his title *Another Heart and Other Pulses* from a relatively obscure sonnet by Keats, the next words of which are: "Hear ye not the hum of mighty workings?" The answer to that question is no but certainly the aisle is full of noises: is and was.

The British general election of 1983, which Mr Foot writes about from the standpoint of Labour Party leader at the time, has been frequently dismissed as boring because a Conservative victory was never in doubt from the moment that it was called. The only excitement was the battle for second place between Labour and the Alliance and even that developed only in the last few days of the campaign and concerned the percentage share of the vote rather than the number of seats won.

Yet it might have been different. In March 1982 the Alliance passed another milestone when Roy Jenkins won the by-election in Glasgow Hillhead. One week later Argentina invaded the Falklands. Thereafter the Tories never really looked back. Given the filip of the Falklands' recovery and the existence of two oppositions they were bound to win. The only question was how quickly to go to the country.

Elections, however, even general elections, are only a snapshot of opinion at the time. They can conceal, as well as reveal, trends, which is one argument in favour of the introduction of fixed-term parliaments. The British system gives too much power to the party in office by allowing it (within the terms of the five-year act) to name the day.

There have been three main trends in British politics in the past 25 years or so. The first is the decline in the aggregate share of the vote by the two main parties. The second is that Labour's share has declined much more sharply than that of the Tories. The third is the increase in the vote for a third party.

The 1983 results reinforced all of them. The Tory lead over Labour in terms of the percentage share of the vote grew dramatically and the third party vote went up again.

The results also produced some distortions. The Tory share of the vote fell from 43.9 per cent in 1979 to 42.4 per cent, but the number of Tory MPs rose from 339 to 387 while for the first time since 1985 there was no Tory representation at Westminster from either Liverpool or Glasgow.

The Labour vote per candidate was lower than in any previous general election. Overall it polled 27.6 per cent and won 32.2 per cent of the seats—not utterly disproportionate. London apart, only three of its victories were in the south of England: Thurrock, Bristol South and Ipswich.

The Alliance polled 26.1 per cent but won only 23 seats—3.5 per cent of the total. It would take a real conservative with a small "c" to defend such an electoral system. The system is not attacked by Mr Foot.

His book has many merits, not



Michael Foot: electoral post-mortem

the least of which is that it is beautifully written. There are some surprising insights, for example, a personal preference for Margaret Thatcher rather than Ted Heath and great generosity towards Denis Healey, the deputy leader. Some nice anecdotes, too: at a meeting in Liverpool a note was found to photographers: "Express only what pix if Foot falls over or collapses or is shot, etc. Same for the Sun."

What entrance Mr Foot was the turn-out at those meetings. At Norwich the hall was packed even at 3 pm on Cup Final day. There seemed to be a discrepancy between the rallies of the faithful and the findings of the opinion polls. As a romantic he loved it. He idealises the rank and file and the trades unions. Yet he was too much of a realist not to see that he was well beaten before the end.

A final verdict, which Foot endorses, comes from Healey: "The election was not lost in the three weeks of the campaign but in the three years which preceded it. In that period Labour managed to lose about 20 percentage points in the opinion polls. In that period the Party itself acquired a highly unfavourable public image, based on disunity, extremism, crankiness and general unfitness to govern."

It would be wrong to blame all that on the leader. Mr Foot records that he had considered resignation before the campaign and he also notes his struggles to prevent the Parliamentary Party going one way and the National Executive the other. That would have been the real, irreparable split, and probably no one else could have done as much to stop it. The task now, he concludes, is to get the two executive arms—the NEC and the PLP—to act as one.

The oddity is that he does not seem to consider the possibility that it may be too late. The fact is that Labour has been in decline in terms of its share of the vote not just for the past three years but for most of the past three decades, and it now has the Alliance to contend with as well as the Tories. The explanation must lie at least partly in social change and the Party's inability to adapt to it.

Not even David Butler and Dennis Kavanagh take this sufficiently into account. Their Nuffield study of the 1983 election is the twelfth in a series that goes back to 1945 and has become almost an institution: too much so, perhaps.

There are some interesting details: for instance, 1983 was the first post-war election to produce more Conservative Jewish MPs than Labour. All the statistics are there, but there is also something missing:

The way in which the entire political ground has moved since 1979 is glossed over. The abolition of exchange controls merits only a footnote. The abolition of other controls is not mentioned. Hence the book underestimates how far Labour was getting out of touch with the intellectual climate, and also why David Owen felt it necessary to move the Social Democrats to the economic right.

As social and economic—and therefore political—history, it falls short. It is not true, as is claimed in the introduction, that elections have replaced the dates of kings as historical landmarks. What is more telling

is what happens in between. If there is to be a thirteenth in the series, the formula needs to be rethought.

Poet and Mum

The Writings of Anna Wickham: Free Woman and Poet

Edited and introduced by R. D. Smith, Virago Press, £6.50, 404 pages

Anna Wickham was in every way a remarkable woman, whose powerful personality, truculent and tender, passionate and obsessive, permeates every one of these pages. She was born Edith Alice Mary Harper in Wimborne in 1884. When she was six, her parents moved to Australia, settling in Queensland, and there she spent her formative years (she took her pen-name, Wickham, from a street in Brisbane).

In 1904 she returned to England and later spent some time studying singing in Paris: she had a fine voice and could doubtless have made a successful career as an opera singer. Instead, she turned more and more to writing poetry (she had begun writing at the age of six and produced more than 1,400 poems in her lifetime), to the pleasures and frustrations of marriage to a London lawyer and astronomer, Patrick Hepburn, and, true genetrix, to an engrossment with motherhood.

Her own family background was decidedly mixed: her father, Geoffrey Harper, came from a long line of Shropshire tenant farmers who had risen in the world; her mother, Alice Whelan, had mixed Irish and Italian blood and an imperious temperament. This quarreling ancestry clearly provided the motive power for many of the poems. But she also memorized their clashing gifts and her own wayward upbringing in a fragment of autobiography called "Prelude to Spring Clean", in which she turns a shrewd, sardonic eye on the perennial English comedy of class distinctions. It is brilliantly done and all too short: a mere five chapters and one long for more.

Why is Anna Wickham's work not better known? This is indeed something of a mystery. It is true that, for all its profuse outpouring, her poetry runs within comparatively narrow limits, and most of it is cast in a now unfashionable Georgian mould; but the voice is always unmistakably her own, the lyrical impulse true and original. Many of her poems are a fierce defence of woman's right to freedom; and in this she was well in advance of her time.

It was time for a reassessment, and R. D. Smith has edited this admirable collection with a deep knowledge of the period. He has also provided a long and perceptive introduction, in which he retraces each phase of Anna Wickham's career until her death in 1947.

ERIK DE MAUNY



Ivy Compton-Burnett (left) and Margaret Jourdain, tea-time 1942

Ivy flourishing strongly

BY ANTHONY CURTIS

Secrets of a Woman's Heart: The Later Life of I. Compton-Burnett, 1920-1969
by Hilary Spurling, Hodder & Stoughton, £14.95, 336 pages

Ten years ago, in *Ivy When Young: The Early Life of I. Compton-Burnett*, Hilary Spurling detonated a literary bombshell. Through a combination of assiduous research among living witnesses, and elegant biographical narrative, she proved that the Compton-Burnett of family life which we had taken as the products of most ingenious fancy had their basis in fact.

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ERIK DE MAUNY

Son of H.G.

BY RIVERS SCOTT

H.G. Wells. Aspects of a Life
by Anthony West, Hutchinson, £12.95, 405 pages

When Rebecca West used to say, towards the end of her life, that she was sick of people talking to her about H. G. Wells, she presumably knew, and dreaded, what would follow once she was dead.

First, the British publication of her son, Anthony West's, autobiographical novel *Heritage*, supplemented by a withering, some would say scandalous, introductory diatribe against his mother; and secondly this biography of his father H. G. Wells, begun, he says as long ago as 1948 and featuring further attacks on his mother as a "fabulist"—planting fabricated evidence that would indoctrinate future biographers with her version of events concerning H.G. and herself.

Of a passage occurring in the last few pages of the book (and involving an overworked comparison with Dorothy Richardson) he remarks: "Some readers may feel inclined to dismiss this caution as no more than an invitation to take sides in an ugly family row." They can hardly do otherwise. Compared to Mr West's mother, Hamlet's mother got off lightly from her son.

Nor can Mr West resist putting his father to rights, though much more benignly: those two geniuses, volatile, perverse, and almost equally inclined, when under painful emotional stress, to take refuge from the facts in written or spoken fancy, seem to have bred a sort of literate-minded know-all. Constantly the author interrupts H.G.'s own testimonies with:

"The story is plausible enough, but I'm far from sure that it is the story"; or "I know that I am disregarding the account of this matter given by my father to

his autobiography . . ."; or "I do not believe that he had any such clear-cut picture".

Yet so audacious, tenacious, life-enhancing and charm-enduring (when he wanted to be) was H. G. Wells, so exceptional wife his women, and so important for its time his message, that no life of him could be dull, and Mr West adds information that sets the record straight on several issues and will of course, in so far as it concerns Rebecca West, have to be taken account of, or refuted, by his biographers.

There are especially sympathetic portraits of Wells's second wife Jane, of the (to Wells, at least) absolutely irresistible Moura Budberg, and of his other mistress Odette Kahn, who features hilariously in *Heritage* and who apparently never quite recovered from her initial mistake with Wells when she decided to receive him at their first meeting in a Geneva hotel, sitting naked and in the dark.

The relationship between Wells and Gissing is fully and absorbingly explored. Shaw is shown up as a merciless bully whom Wells came to loathe. Though the curious structure of this book makes for some lenguor and repetitions, the accounts of Wells's works are well integrated with the narrative.

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"The story is plausible enough, but I'm far from sure that it is the story"; or "I know that I am disregarding the account of this matter given by my father to

1917: The Russian Revolutions and the Origins of Present-Day Communism by Leonard Schapiro, Maurice Temple-Smith, £12.95, 236 pages

Leonard Schapiro's last book ended with a paragraph of personal meditation. As a young boy of nine he had witnessed the cataclysmic events in Petrograd in 1917, and his family did not leave until three years later. He had endured freezing cold, near-starvation, and continuous accounts of brutality and terror. But his impressions of the time, influenced by the adults around him, were those of enthusiasm, excitement and a vast hope for the future. As an eminent historian of the subsequent terrible vicissitudes through which the Soviet Union passed, he returned at the end of his life to a study of the events of the Russian Revolutions in 1917 and of the way in which small and unpopular conspiratorial élite was able to impose its will with catastrophic consequences.

This is the theme of the book, and it immediately places its author in a well-defined tradition of historical thought. In opposition, for instance, to courageous and outspoken historians as Roy Medvedev in the Soviet Union or to a number of closet Leninists in Western historiography, Leonard Schapiro was among those who argued that the origins of the catastrophe lay not in Stalin's betrayal of Lenin but in the Leninist inheritance itself. From the early days of pre-revolutionary organization (when the Bolsheviks established the main power structures which still dominate the CPSU today) through to the Civil War, when the principle of self-determination for all nationalities originally established by Lenin rapidly gave way to what was already by then a traditional Communist insistence on centralised control, the Bolshevik Revolution was continually squeezed in a vice of its forces in dark historical winds for so many years, but bursting upon the country in such a very few days, stands out starkly in the narrative. But the patient analysis and the ruthless stratagems by which Lenin seized power, and the self-hypnotising indecisiveness by which the Provisional Government lost it, are detailed in a manner which is dedicatedly dry.

Such an approach means that at one level his book is almost passionately dispassionate. The terrible suddenness of the first Russian Revolution, gathering its forces in dark historical winds for so many years, but bursting upon the country in such a very few days, stands out starkly in the narrative. But the patient analysis and the ruthless stratagems by which Lenin seized power, and the self-hypnotising indecisiveness by which the Provisional Government lost it, are detailed in a manner which is dedicatedly dry.

Yet it is a moving book. Towards the end of his life, the historian of the Communist Party of the Soviet Union turned with relief to an affectionate and illuminating biography of Turgenev—a man for whose gentle and generous ability he clearly showed an affinity. It was then the biographer of Turgenev who turned back to the history of 1917. There is a stoic reflectiveness which underlies the work of the painstaking historian, and which also enables him to gain fresh insight—particularly into the mysteries of Lenin's own last, crippled and peculiarly reflective months.

D-Day salvo

The fortieth anniversary of

Howard. From the other side Geneva Dubosc, who was 12 on D-Day, describes vividly in *My Longest Night* (Seeker and Warburg £8.50, 222 pages) what it felt like to be growing up in the midst of the battle with an American paratrooper and his mates turning up on your doorstep.

A brisk and well-illustrated overview of the fighting on both sides is given by Charles Whiting in his glossy paperback, *6 June 1944* (Allen and Unwin £8.95, 196 pages), the glider raid and capture of a vital bridge by 160

a courageous study of a vital woman who does not satisfy the theoretical requirements of militant feminism, will not have forgotten it. *The Princess of Q.* is set in the nineteenth century in the countryside around Venice, but is written in a style more reminiscent of earlier novelists such as Laclos (the second part consists solely of letters) and even Stendhal. Some of this reads near-pastiche, and it is not on the level of *Black Annie*. But it is intelligent Gothic, and makes a comforting read.

George Mackay Brown has become almost as great an attraction as the Orkneys of his birth and poems and stories; if he has a weakness then it is that his readers must by now wonder whether he would be able to write about anything else. Still, he is certainly a remarkable regional writer. *Time in a Red Coat* is a ponderous allegory about war—but it is only ponderous in the Scandinavian manner. It has an unmistakable epic quality, and is written with great confidence; it reminds me of two Nobel Prize-winners from Scandinavia—Lagerkvist and Larsson.

An historical argument of that nature and of such proportions is clearly controversial. There are so many successive stages when things might have gone differently, from the way in which the emancipation of the serfs was carried out, to the

means to; by making him (or we) want to know what is going to happen. But he does not ask us to sacrifice intelligence or credibility, and his warm Yorkshire bluntness is appealing and refreshing—just as the best of Priestley's is. In the opening of the title story he surpasses himself. It is all done with heart, and is rewarding.

Virginia Moriconi, who has written several novels and collections of stories, is an American who has lived in Italy and France. Those who read her most recent novel, *Black Annie*, will not be possible to ignore it. *Stress* is an efficient popular storyteller. He has honesty of observation, and seldom manipulates his characters

David Malouf: myths of exile

HOW TO SPEND IT

by Lucia van der Post

All eyes will be on Los Angeles this summer when, from late July to mid-August, the 23rd Olympics will be held there

Here Loyd Grossman offers an idiosyncratic guide to this 'amusing, surprising and infuriating city'

GREETINGS FROM L.A.

First things

LA (not just a cosmopolitan affectation: no one calls it Los Angeles) isn't a conventionally nice place, but it can be stimulating and a lot of fun. Preposterous and formless (Dorothy Parker was more astute than most town planners when she called it "72 suburbs in search of a city"), LA is more like movies or television than what we think of as real life.

So the first thing the visitor must do is suspend his disbelief — otherwise you'll find yourself saying over and over again "I just can't believe this is happening." Abandon all your preconceptions about cities (indeed about civilisation) and just lie back (or as they would say "get laid back") and enjoy it.

After you've heard people at dinner parties earnestly discussing colonial irrigation, alley sweepers (a form of sawed-off shotgun useful for repelling intruders), megadosing vitamin E, nouvelle chicken salad recipes and other burning aspects of metropolitan life, it's hard to take the place seriously.

But, whatever you do, and however horrified you may be by this lunatic life around you, do not close your eyes or think of England. Greater LA is populated by perhaps 250,000 expat Britons — film stars, pop stars, celebrities, hustlers — so you can go to a pub or watch a cricket match but don't bother. Remember: all those Brits live in LA because it is the place on earth most unlike the UK. Leave Michael Caine and Rod Stewart to their frolics. It is possible to lead a pastiche European lifestyle in LA, but that should be for residents only who can't get the real thing.

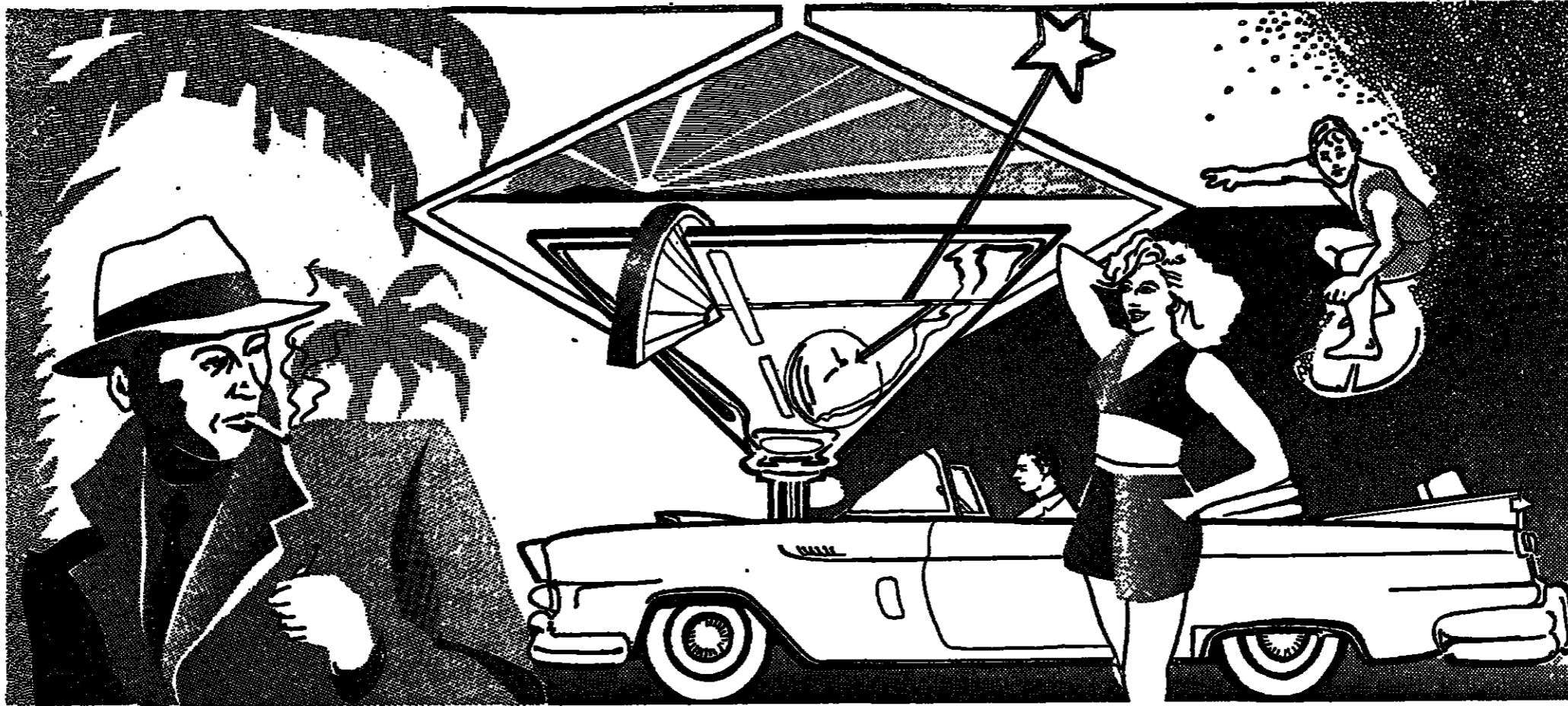
For those of us who merely pass through Bedlam — on a Pacific the best thing to do is to sample and enjoy the many things which are unique to this amusing, surprising and infuriating city.

The shape of the city

Los Angeles is huge (about 464 square miles) and to the traveller arriving by air usually invisible beneath a perma-cloud of smog. It is, like most western American cities, laid out on a sprawling grid plan with most roads running at right angles to each other. The intra-city freeway (motorway system) is a complete nightmare during rush hours (LA rush hours are rather later than London ones) but fairly easy to understand.

Equipped with a fairly large scale map of LA you should be rapidly able to acquaint yourself with the local layout — theoretically. In practice, it's slightly more difficult as to the novice there are few apparent landmarks. Because LA grew rapidly — it was virtually non-existent in 1960 — much of it looks the same.

Fortunately there are few areas in the sprawl that you'll really want to go to. In many ways it's more important to know where to avoid. After one quick visit to satisfy your curiosity you'll probably want to stay out of Hollywood (sleazy and depressing) and you'll certainly not want even one trip into East LA (full of disadvantaged psychopaths) or the San Fernando Valley (always referred to with a sneer as "the Valley") — inhabited by robotic overprivileged suburbs.



Duncan Large

Getting around

A car is essential. There is no public transport to speak of in LA and cabbing around involves lots of time spent waiting after you've telephoned for one, as few cabs are to be seen cruising the streets.

All the major car rental companies have offices at chaotic LAX (Los Angeles International Airport) and rates aren't that bad (from \$287 a week with unlimited mileage) but the major car rental companies report that they are virtually booked up from mid-July to mid-August so you'd better start making what friends you can... If you can't rent a huge air-conditioned Lincoln or Cadillac, the best car is a convertible — the benign climate means top-down motoring is almost always possible. People with slightly less conventional tastes can rent a really "funky" (a word with both ethnic and unreliability connotations) car from numerous local companies like the jocularly named Rent a Wreck — their rates are a bit cheaper than the bigger firms.

Staying

There are no cheap hotels in LA. Or perhaps I should say there are no respectable cheap hotels in LA unless you have a deep interest in hooker/drifter/loser subcultures you are going to have to stay in one of the high class hostels.

The most famous and glorious hotels, full of film star associations, are the Beverly Wilshire and (even more so) the Beverly Hills Hotel. The Chateau Marmont is far less

glamorous but rather more artsy. The Los Angeles Hilton is big, slick and well located if rather characterless. The Westin Bonaventure is huge (1,500 rooms) modern and efficient.

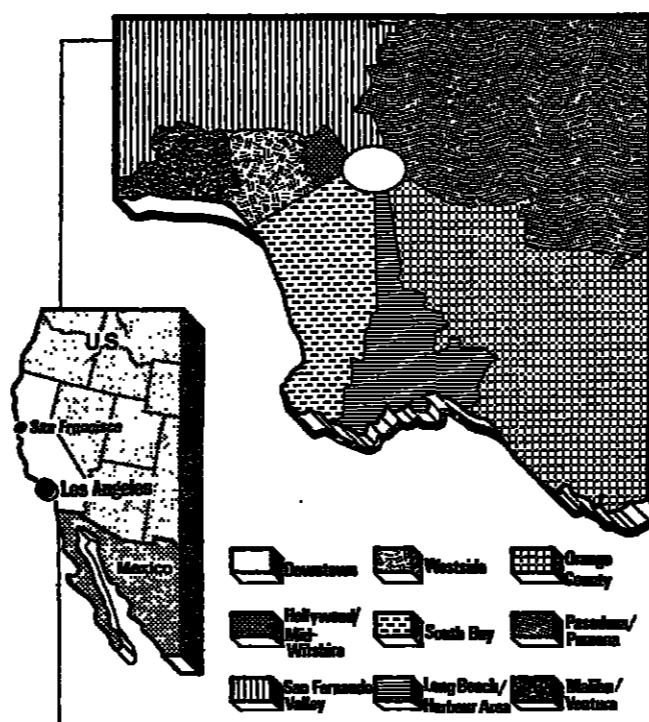
Avoid picturesque places friends may have told you about — like the Tropicana — unless you are an aspiring screenwriter. It isn't worth staying outside of LA because that will involve you in even more hours of driving every day. Hotel booking is particularly difficult this summer because even in their reduced form the Olympics is putting tremendous pressure on accommodation in the city.

Eating

You will hear and read more pretentious rubbish about food in LA than almost anywhere else. The gastronomic debate has been livened up considerably with the recent introduction of California cuisine: a nouvelle-inspired farro utilising local and Pacific Ocean produce like abalone, mahi-mahi (dolphin fish) and tuna. Much cooking these days is done with something called "mesquite" — desert wood used as fuel for grilling which imparts quite a pleasant flavour.

The most talked-about restaurateur in LA is the fashionable Austrian Wolfgang Puck. His first restaurant Spago (an inventive high class pizza joint pizza with duck sausage) is ultrahip and almost impossible to get into unless you book far in advance.

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California food, but is reasonably cheap and so getting increasingly crowded.

Rock stars and rich trendies are fond of Trump's which has a particularly large and relaxing bar. Beverly Hills' wide boys like The Ginger Man and Tony Roma's (famous for rather indifferent spare ribs). The highest rollers are to be found at L'Ermitage, Oscars or Ma Maison, all mega expensive bastions of haute show business. Morton's attracts a goodly number of the hip and celebrated, but the new Langans (due to open in July) will probably be the hottest restaurant in

Santa Monica just a quick drive from central LA), Imperial Gardens and the fashionable Sushi on Sunset. A local invention, California rolls (raw crab and avocado) has even started appearing in Tokyo sushi bar menus.

LA media people are "just crazy" about Thai food and the best Thai places are probably Chao Phraya, and Jitlada.

It is vital to go to at least a few Mexican restaurants. Many of the Mexican restaurants in LA are quite Americanised, but you certainly won't get anything even remotely original or interesting in any Mexican restaurant in Europe. Gloomily, old-fashioned Lucy's El Adobe was a famous trysting place for Governor Jerry Brown and pop singer Linda Ronstadt. The sprawling El Cholo is one of the oldest Mexican restaurants in LA and chain restaurants like El Torito are a jolly and cheap way to get fuelled up on (very) spicy food and even more fiery tequila-based cocktails. Mexican food connoisseurs are particularly keen on the Gardens of Taxco.

Devotes of the ultimate American food will enjoy themselves at Hamburger Hamlet. Just a short drive up the coast you can eat excellent fish at Gladstone's 4 Fish in Pacific Palisades.

Shopping

The most famous shopping street in America currently trying to hype itself as the most famous shopping street in the world, is Rodeo Drive — a pleasant strollable enclave in the heart of Beverly Hills. It is worth visiting but hardly worth buying anything in this commercial epicentre of haute vulgarity.

If you want something to tell the folks back home about go

into Bijan the legendary overpriced men's shop where you can buy the ultimate in Beverly Hills memorabilia — a gold (real) and black designer handgun for \$10,000. Bijan and a number of other smart shops are in the Rodeo Centre a small plutocratic shopping mall with a few comfortable restaurants.

The biggest flashiest shopping centre must be the huge Beverly Hills Centre which houses a good collection of upmarket American chain stores.

Much of what is for sale in the more expensive LA emporia is either European and available in a wider range on this side of the world or far too American (remember in clothing terms much American stuff is tight and lurid) for us. But LA is a good place to buy classic American casual wear and good summer clothes. Camp Beverly Hills (perhaps most celebrated for its fine sweatshirts) has been rather superseded by Banana Republic, a fun place to go if you want to be kitted out to look like a Nicaraguan contra — they have excellent stylish tropical shirts, shorts and accessories.

Carroll and Co had a good range of "preppy" clothing for both men and women. The legendary Abercrombie & Fitch has a fine range of upmarket sporting goods, but seekers of a good buy should be able to buy from a huge range of bargain tennis rackets or running shoes (many won't be on the English market) at discount sporting goods shops like Herman's.

People who wear spectacles ought to take advantage of the cheap (from as little as \$30 a pair) and quick (one day)

(213) 239 0215 or you can write to Box 71608, Los Angeles, California CA90071, USA. If you are travelling in a camper call (800) 822 CAMP (in California only) for site reservations.

The official Olympics Airline is Frontier. If you suddenly decide to go west while in the U.S. then it is worth getting them a call for hotels and tickets (800) 521-5301. An 800 number means there is no charge to the caller.

service available from numerous cut price opticians around town. Men's shoes are relatively cheap in America and classic American loafers and boatshoes are about half of what they cost in the UK.

Be careful when buying clothes — even in the most expensive shops it is surprisingly hard to avoid synthetic materials so read all labels extra carefully. The big department stores like Nieman-Marcus, Robinsons and Saks Fifth Avenue have a huge array of consumables but you'll be able to find better versions of most of their stock at home.

Don't expect to buy tremendously sophisticated clothes in Los Angeles — look instead for the good buys in rugged sporty gear, sports equipment and straight preppy clothing. The one natural fibre item that men will find in abundance in California (and which are difficult to buy in UK) will be casual summer cotton trousers known as "chinos."

Culture

LA is not terribly well known for culture with a capital "C." If you want to see the fruits of all those bucks that are upsetting world art markets you will have to drive to Malibu to visit the astonishing J. Paul Getty Museum. But remember to call or write in advance to book admission. The Norton Simon Museum in Pasadena is also eminently worth visiting for its fine Old Master collection. The more central, Los Angeles County Museum of Art is less impressive but has interesting changing exhibitions.

When the weather is fine (which it almost always is) there are few things better than a concert at the Hollywood Bowl. But the movies are the real culture of LA. Be sure to take in a film at Mann's (formerly Grauman's) Chinese Theatre. There are a lot of cinemas concentrated in Westwood (just off the UCLA campus) which is incidentally one of the few neighbourhoods where you can walk around rather than drive. It also offers the best selection of LA's few bookshops.

On the weekends

If you have time a trip to the beach is essential, preferably one of the great surfing beaches like Huntington, Malibu or Manhattan. All are within easy driving distance (although on particularly hot days the free ways will be jammed) and a visit to them is the best way to experience West Coast seaside culture. Anyone with an interest in the more aberrant aspects of American popular culture should walk along the seafront at Venice beach where there is a non-stop show of buskers, weight lifters, rollerskaters and con artists. An ideal way to spend a few idle hours on a summer's day. The slightly more adventurous will probably want to take the ferry from Long Beach to the coastal island of Santa Catalina where non-human wildlife like buffaloes can be spotted.

Above all

Remember that you are in an unconventional city. You can insulate yourself between hotel-business meetings — French restaurants and experience the sort of upmarket life you might find in any other major city, but to get the most out of LA go to the beach, be brave enough to get a taco and don't forget to put the top of your car down.

Arthur Sandles on ways and means of getting there

THERE is still time to buy both packages and tickets for the Olympic Games from British agents. The British Olympics Association will refer you to the official agency, American Travel, Imperial Life House, 390-490 High Road, Wembley, HA9 6UF, Middlesex. While it has packages in its selection of tickets is running thin — swimming, gymnastics and the track and field finals have proved particularly popular. If possible, telephone Ameri-

cana with your requests (01) 903 6841. Prices are between \$15 and \$60 per ticket and the exchange rate varies daily.

Sportsworld, London W8 6EH has some packages left. A July 25 departure costs \$699 and includes a room (double occupancy) at the Holiday Inn Laguna Hill, transfers and tickets to three events. Later

departures cost \$1,465.

Normal air fares range from \$469 for an Advance Purchase (APEX) ticket which has to be bought 21 days in advance. A similar ticket with weekend flights costs \$509. The standby fare is \$460. A Superclub ticket with British Airways is \$1,504 and first class \$2,226. All are return fares. Flights to LA during the Olympics are

heavily booked. Alternative routes via the southern states with British Caledonian and Delta may be less booked.

In theory there are no

event tickets available in Los Angeles itself at the moment, but this is about to change as unsold tickets flow back to the city for local sale. Call the official ticket hotline at (213) 741 6789 for the latest availability and place of purchase.

Some agencies, such as Mar-

ray's Tickets and Union

Ticket Agency in Los Angeles

have tickets but in these cases

be prepared to pay the mar-

ket rate.

If you fly to Los Angeles

on spec then the latest list of accommodation available can be obtained from the Greater Los Angeles Visitor and Convention Bureau Olympic Co-ordinating Centre

(213) 239 0215 or you can

write to Box 71608, Los

Angles, California CA90071,

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POSTSCRIPT

parts of the Middle East and the East, collecting as he goes a colourful and rarified selection of textiles.

Readers who have come to know his gallery at 10 Eccleston Street, London SW1, have learned that there they can usually find colourful and exotic pieces that can either be used to bring a room to life or can be bought to fill in a gap in a carefully planned collection.

Joss Graham's latest wanderings have taken him through Deccan in South India and the results of his journeys can be seen and bought at the gallery from June 6 to June 30.

He has concentrated this time on tribal embroidery gathered from the Banjara, an ancient tribe of Indian "gypsies" who may still be seen along the roadside in the Deccan, on their way to a fair or a wedding, riding in their richly carved carts drawn by bullocks.

The Banjara are acknowledg-

ed experts in the whole

field of needlework and have

embroidered almost all the

decorations of their travelling

life — the surface of bags, belts, clothing and other articles are completely covered with embroidery which is not only highly decorative but makes them stronger and sturdier for daily use. Coarse cotton is the basis of the pieces and though all the women have a shared vocabulary of design and a shared grammar of stitches, the different personalities of the embroiderers is easily visible.

Besides the utilitarian articles there are also elaborate skirts, blouses and shawls, all of which were designed and made to be worn and were often passed down as heirlooms from mother to daughter. Few of such clothing is being made today so many of the pieces Joss Graham is offering for sale are irreplaceable, certainly all are unique.

There are some 250 different embroidered articles on display and for sale and they date from as far back as 100 years. Prices range from £5 to £200 but the vast majority of them will be under £50. Photographed here right is an embroidered shoulderbag with cowrie shells.

The gallery is open from 2 p.m. to 6 p.m. on Mondays, from 10 a.m. to 6 p.m. on Tuesdays and from 10 a.m. to 1 p.m. on Saturdays.

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THE ARTS

Voice of the People

The Voice of the Listener held its second public meeting at the Festival Hall on Wednesday. They are "a non-profit making society to support the quality of sound and the spoken word in radio broadcasting." Easy enough to decry their influence: of the tens of millions of listeners, they have some 500 members, of whom about 150 came to the meeting. Some two-thirds of them are over 50 years old. 91 per cent listen to Radio 4, 48 per cent to Radio 3, 17 per cent Radio 2 and 2 per cent Radio 1, with 12 per cent for the ILR locals and 9 for the BBC locals.

That sounds an unrepresentative gathering (and it's quite insignificant that their tastes coincide partly with mine). In fact, it's more unrepresentative that it sounds, for, as Richard Francis, the BBC's Managing Director of Radio pointed out, their percentages vary widely

RADIO

B. A. YOUNG

from the BBC's. Of the real total radio audience, 13 per cent listen to Radio 4, 2 per cent to Radio 3, 18 per cent to Radio 2 and 32 per cent to Radio 1. But if the society could make its recommendations clearer, and its membership stronger, it might turn out to be a useful body, though there will always be the risk that its ageing and elitist character would result in its demands being no more than a reflection of minority tastes.

Of the points made on Wednesday to Mr Francis and John Thompson, IBA's director of radio, none seemed to me urgent. Why not programmes to encourage children to listen? Couldn't radio licence fees be reintroduced to provide more money? Why isn't it easier to know the ILR stations' programmes? Couldn't we all be allowed to hear the World Service? These are long-standing questions that seem to me to have been satisfactorily answered, even if the answer has been that difficulties are too great to meet requirements. But it won't do any harm to keep banging away at this sort of thing, even though the BBC and the IBA now know more exactly the current strength, or lack of it, of the dissentient Voice.

I must say I felt at one with the dissentients when a questioner asked why the standard of humour on Radio 4 should

be going down. Sunday morning has now been deprived of its time-slots (usually a repeat nowadays) so that listeners all over the globe may telephone questions to political celebrities. To make up for it, Radio 4 has introduced a new one at 11.30 pm on Saturday nights. *In One Ear* comes live from the Paris Studio, and sounds extempore. But it has supporting music and a studio audience laughing dutifully, so some work must have been done on it at some time. Hardly enough, if you ask me. The answer from David Hatch, Controller of Radio 4, was that you have to run these comic programmes a bit to get them going, a principle that theatre management would find rather odd. Perhaps it's not that the programmes get better, but that the complainers give up in despair.

At any rate Radio 4 won a Sony Radio Award this week for *Son of Cliché*. And here are the other awards, presented last Tuesday: magazine programme, *The Food Programme*, Radio 4; Radio reporter of the year, Gerald Butt of the BBC. Current affairs programme, *Sounds Are Extra* of Radio Tay. DJ of the year, Mike Read of Radio 1. Local ditta, Timmy Mallett of Radio Piccadilly. Features programme, *Fat Man's Work*, Radio 4. Popular music programme, Benny Green, Radio 2. Classical music programme, *Mr Halle's Bond*, Piccadilly Radio. Sports broadcaster, Charles Lambert, BBC Radio Merseyside. Local radio programme, *Love the Bones*, Radio City. Community service programme, *Any Action*, Radio Tay. Outside broadcast programme, *Water Skiing lesson*, Wiltshire Radio. Local Radio personality, Susie Mathis, Piccadilly Radio. Drama production, *Row of Radio*, Radio 4. Drama script, *Never In My Lifetime* by Shirley Gee, Radio 3. Actress, Maureen O'Brien. Actor, Clive Merrison. Technical achievement, *A Concert from Seoul*, Radio 3. Female UK radio personality, Margaret Howard, Male ditta, Brian Matthew. Special award for services to radio, Jimmy Gordon, Radio Clyde. Gold award for outstanding contribution to radio, David Jacobs. I doubt if many of these would raise much approval from the Voice of the Listener.

There were six plays I would like to have written about this week, but life and space are too short. Best of them, an adaptation of Virginia Woolf's *Orlando*, and you can hear a repeat of that tomorrow.

The charmlessness of it all is

almost overpowering, with a chorus of footmen and maids called *The Importance*. It barge in to bolster the tiny tunes and shatter the furniture. The tea-time argument of Cecily and Gwendolen is cheapened by an extraneous ballet of eye-boggling irrelevance, while Jack and Algernon agree on changing their names with a touch of knee-wobbling followed by primitive tango.

As a colleague and I agreed in the interval — at the scene of unmitigated disaster critics break all rules and discuss the show among themselves — the whole thing exceeded our worst expectations. Even the musicians came out in sympathy during the penultimate number "Born in a Handbag": the off-stage clutter sounded like revolution or perhaps even suicide among the woodwind.

Only David Firth as Algernon and Judy Campbell as Lady Bracknell acquit themselves with anything like honour. Patrick Ryecart as Jack poses, pouts and frowns his way round the stage like a palsied caricature of Douglas Fairbanks Jr. The girls are insufferable. Need one say more? Yes: the director is Tony Craven. He should take up Bunburying immediately.

On *Philippe 6514 099*, the Russian emigreé Bella Davidovich gives an impassioned account of the four Chopin Ballades and the Fantaisie-Impromptu. Grand Russian style and technique, and an unbroken flow of feeling carries the music. No real surprises: on record one notices more familiar rhetorical ticks than one might in the concert hall. Jaded palates will be more excited by Rudolfas Kvapil's recital of Martinu on BIS LP.

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LEISURE

Jolly hockey sticks

FOR CASUAL reading in your bath, or late at night when you are too tired to go to bed... there is nothing to touch a back number of the *Girl's Own Paper*, wrote George Orwell in 1936.

Schoolgirl fiction in books is said to have begun in the mid-19th century, after the first school stories for boys, and has always had a strong general appeal.

Annuals and magazines came later, with the girls of *Cliff House School* making occasional appearances in *The Magnet*, the Fleetway House publication which ran for just over 32 years until 1940.

The girls became so popular (Bob Cherry, friend of the captain of the *Remainder at Greyfriars*, Harry Wharton, was a great admirer of one Marjorie Hazeldene), that they were given their own paper in 1920, *The School Friend*. And Bebbie Bunter, sister of Billy, too.

Even in the late Victorian, early Edwardian period, the world of girls' school fiction had a certain affinity with that of the boys. The girls got homesick, had mumps, stated secret societies, and played cricket.

"She pegged my right leg down once to prevent my moving it, and she's more severe on a crooked bat," said Avis of Miss Latimer who took sport at The Priory in Angela Brazil's *The Nicest Girl in the School*, 1909.

COLLECTING
JUNE FIELD

Prices of Brazil books for collectors are still reasonable—£10 to £15 for the early Blackie and Son Glasgow copyright.

Yet Brazil had over 60 books published, beginning with *The Fortunes of Philippa*, 1906, to one of the last, believed to be *The School on the Loch*, 1946.

Some of the wholesome heroines can be found in *Jolly Hockey Sticks*, which opened at the Bethnal Green Museum of Childhood on Wednesday until September 30.

The exhibition is a sequel to last year's *Penny Dreadfuls and Comics*, which was mostly boys' fiction.

The light-hearted display, organised by Noreen Marshall, covers over 250 books published over the last 100 years, although the majority of examples come from the 1920s to 1940s when the genre really flourished.

As well as the works of Brazil, features are *Elsie J. Oxenham* (Abbey School Series), Dorothy Fairlie Bruce's "Dimpie" books (the name a diminutive for Dorothy Maitland, founder of the Anti-Suffragist Society which decided "no crushes, no kissing, and

plenty of effort on the games field), and Antonia Forest's boarding school stories.

There is Eudi Blyton too. Noddy's creator wrote two series of schoolgirl adventures, centred on Malory Towers and St Clare's, published by Methuen.

Also on show are schoolgirl annuals, and such nostalgic delights as faded photographs, including some taken by W. Hoather in 1910 and 1920, old school trunks, gym slips, lacrosse sticks, games badges and diaries.

Most of the books are taken from the amazing collection donated to the Victoria and Albert Museum in 1970 by Ferdinand and Anne Rendler.

When the collection—which includes much other childhood ephemera was first accepted by the V & A, it was understood to total around 40,000 items. As the Rendlers are still collecting, although slowly, it is now thought that the number could be nearer 70,000-plus, says Tessa Cleaver of the Bethnal Green Museum, to whom everything is now being transferred.

Tessa is cataloguing gradually in their temporary storage quarters at New House, 7 Whitechapel Road, London E1, where inquiries for research (by appointment only) may be sent. Bunter, sister of Billy, too, became the magazine's comic relief.



Angela Brazil's books are a feature of "Jolly Hockey Sticks," exhibition of girls' school fiction which opened on Wednesday at the Bethnal Green Museum of Childhood, Cambridge Heath Road.

£6m for a fabulous American collection

COINS
JAMES MACKAY

SINCE JULY 1982 Sotheby's have been disposing of one of the most important collections of coins ever formed. Estimated to fetch around £6m in all, the thousands of coins currently being offered represent only a part of the fabled Virgil Brand Collection, at one time the largest private coin collection in the world, and probably second only to the vast holdings of the British Museum. So far Sotheby's have held six sales, in Switzerland, New York and London, the latest sale, recently taking place in Amsterdam. A further portion of the collection will be offered for sale this year.

These sales have attracted enormous attention and chalked up numerous records, despite the generally quiet trading of the past two years. Each part has been eagerly anticipated by numismatists because the coins have remained untouched and unseen for more than 40 years, and many collectors and dealers have been unaware that so extensive an accumulation of coins from the Brand Collection was still in existence.

Virgil M. Brand (1882-1926), son of an immigrant German brewer, established his own brewery in the United States.

remnants have included a galaxy of outstanding rarities, such as the gold medallion of Galerius, c300 AD from the celebrated Arras hoard, the magnificent Greek silver dodekadrachm of Berenice of Egypt, 3rd century BC, the gold pattern crown of Charles II, 1662 and a stupendous array of multiple thalers from the cities of Switzerland, Austria and Germany.

Virgil Brand's first love was American territorial gold pieces and significantly the very first entry in his ledgers, dated June 1889 was the purchase of an Augustus Humbert \$50 gold slug struck in California in 1851. Among the highly important American items was an 1849 Cincinnati Mining and Trading Company eagle, one of the earliest \$10 pieces to be struck during the California gold rush.

At the time of his death, Virgil Brand had amassed over 200,000 coins and medals. During the last quarter century of his life he was purchasing antique collections, many of which were highly specialised. He was represented at all the major international sales throughout the world and in many cases was the largest individual pur-

chaser, at time acquiring as much as one half of the collection on offer. Even his numismatic library must have been prodigious since a letter from his estate mentions the disposal of no less than 11 cases of duplicate books.

Consequently the series of sales now in progress have offered a veritable feast of material, much of it seldom under the hammer these days. The latest portion comprised the coins of the Netherlands. As usual, Virgil Brand's interest in this field was catholic and all-embracing, though it would appear that the piodferts (coins struck on blanks of double the normal thickness), klijpers (coins struck on square or diamond-shaped blanks) and the special gold or silver strikings for which the series is noted, held a particular attraction for him. The sale catalogue is liberally studded with such impressive pieces, cheek by jowl with the circulating currency coins which themselves ranged from the commonplace to the extremely rare.

The sale began with a fine series of coins of the Batavian Republic, Napoleonic period and Kingdom of the Netherlands, many of them in pristine

condition. Curiously enough, this section included a number of rare restricted prepared about 1902 from the original dies and struck to the order of Count Ferrari, himself a legendary figure in philately and numismatics at the turn of the century.

The pre-1795 sections, including the coins of the cities, counties, duchies, United Provinces and Spanish Netherlands, contained too many notable rarities to mention here, although they included some especially spectacular pieces from Friesland, Brabant, and Groningen. The greatest interest, however, was excited by the remarkable series of oblong coins of the Eighty Years War (1568-1648). These are the pieces of silver or copper, often crudely struck, under appalling conditions, during the numerous sieges which the Netherlands endured during their protracted struggle against Hapsburg rule. It should be noted, however, that the boot was occasionally on the other foot, as witness the coins of Middelburg, (1572-74), Breda, under siege and Amsterdam, besieged by the Prince of Orange (1577) besieged by the Zeelanders State troops (1578).

My final day, after which I surrendered to those who share my rod, was almost ideal. Warm with variable breeze, a lot of Mayfly and a good deal of surface scum among which fish were rising, after some rather small fly. The beat is a collection of small carriers and it was upstream fishing on the same bank all the way. Again, except in one case, it was impossible to tell the size of the fish from the rise. I caught a couple and then lost three in a row after I thought they were well hooked. I then did what I should have done after losing the first—had a look at the fly and found the barb was off the hook.

I landed another and then saw a swirl in a bend in the stream. I covered the place many times but it wasn't until I had controlled the drag that he took me, a good 2lb. A pleasant end to my May Fly season.

A guide to the summer season of arts and literature festivals

Some roosting places for culture vultures

BELOW is a chronological guide giving a taste of just some of Britain's arts festivals.

BATH FESTIVAL (May 25-July 10). Themes: musical, theatrical, sports, arts. The Royal Opera House's *Le Nozze di Figaro* and *Don Carlo*, and *La Bohème* by Puccini. *Stravinsky's Rite of Spring* and *Britten's Midsummer Night's Dream*. The London Philharmonic Orchestra plays at the festival for the 21st consecutive season. Box Office: Ringmar



The floodlit military tattoo at the Edinburgh festival

SPITALFIELDS FESTIVAL (May 28-June 7). The eighth festival of music and arts in the heart of Spitalfields. Part of the 1984 Handel in London Festival and of Riba's Festival of Architecture. Dame Janet Baker sings in *L'Enfant du Christ* by Berlioz on Tuesday and Thursday (June 6 and 7). On Thursday, a panel discussion on restoring the *mausoleum* at Castle Howard. Box Office: 0112 576264.

GREENWICH FESTIVAL (June 1-June 17). Theme: the GLC's Anti-Racism year. Multi-cultural events (June 2), Sri Lankan evening (June 3), a wide range of performances by local artists (June 4-17) and the music of Abacabush, a seven-piece all-girl reggae band. Theatre includes a celebration by Judi Dench and Michael Williams. Sunday: the *Angels* (June 4), *Wise Men of Gotham* (June 5), *Intimate Apparel* (June 6), *Midsummer Night's Dream* (June 7) and *Twelfth Night* (June 8).

CHELTONHAM INTERNATIONAL FESTIVAL OF MUSIC (July 2-22). The festival's 40th year, celebrated with a record 49 events. The music of Elgar, Delius and Holst—all of whom died within 10 years of the festival's birth—will be the focus of the programme. Concerts by the Wren Orchestra of London, the Royal Philharmonic Orchestra. Other events include an exhibition of sculptures by Andrew Logan, a Victorian magic lantern show and a puppet theatre.

STOUR MUSIC (June 22-July 1). East London Concerts performs *Handel's Coronation Anthems* and the *Water Music* on June 22. On Friday, June 23, the *Angels* (June 24) and *Midsummer Night's Dream* (June 25) will be performed on Sunday, June 24. Peter Cragg directs *Aymar's Intimate Apparel* (June 26) and *Twelfth Night* (June 27). *Yehudi Menuhin* conducts the Royal Philharmonic Orchestra on Thursday (June 28). The programme features Vaughan Williams' *Symphony No. 5*, Carl Davis conducts the English Chamber Orchestra in a performance of *Handel's Clermont Concerto* on Saturday (June 29).

The festival also features a wide-ranging programme of fringe theatre, children's activities, sports and a season of films showing the festival's central theme. Box Office: 0171 317 5837. Sponsors include the City of Greenwich Council, Barclays Bank, Greenwich Council, and the Royal Yacht Club. Box Office: (081) 2150. Sponsors include

Commercial Union and IBM.

LUDLOW FESTIVAL (June 22-July 8). The festival's silver jubilee and the 20th anniversary of the CEGS local boulders and Gulf Oil.

The festival also features a wide-

range of programmes of fringe theatre, children's activities, sports and a season of films showing the festival's central theme. Box Office: 0171 317 5837. Sponsors include the City of Greenwich Council, Barclays Bank, Greenwich Council, and the Royal Yacht Club. Box Office: (081) 2150. Sponsors include

Commercial Union and IBM.

CITY OF LONDON FESTIVAL (July 15-28). A broad range of chamber, vocal, instrumental and choral music, including a performance of *Handel's Messiah* on July 15 and *Contemporary Dance Theatre* will be staging four performances.

HASLEMERE FESTIVAL (July 20-29). A string orchestra to be formed by the London Mozart Players, directed by the London Mozart Players, has been commissioned to write a work for a string orchestra to be performed by the London Mozart Players.

DOMINIC WIGAN ON EPSOM WEEK

SPORT

Rising to the fly

FISHING
JOHN CHERRINGTON

IT IS a common fallacy that trout go mad and gorge themselves on Mayfly. It happens occasionally—I remember seeing it happen once or twice—but in general the huge flies pass over the fish completely unharmed. The saying, "rising like a trout in May" does not indicate a mad scramble for Mayfly. What it really means is that there are some days in May when conditions encourage the fish to rise without caution, but they will go for anything and more often than not leave the Mayfly alone.

I used good-sized pheasant tail all the time, well greased so that it floated well up and, being a hackle, I had no problem of keeping it upright.

One of my beats is a very wide one and there was the usual howling northeaster blowing. When I got there at about 2pm there was no sign of life, but after a few minutes a steady stream of Mayfly moved un molested down the river. The midstream flies were mainly occupied by grayling with their bubbly rise. I often think that grayling don't only rise after fly but to refill their air bladders.

I had to look hard for the trout which were lying very close in to the bank, fortunately opposite where I was standing. This meant I could cast across the wind and not against it, which made fishing much easier. Instead of risking scaring the fish by trying to force the line out against the wind and dropping it on top of the fish, I could float the fly down towards it with the minimum of cast within its line of vision.

My final day, after which I surrendered to those who share my rod, was almost ideal. Warm with variable breeze, a lot of Mayfly and a good deal of surface scum among which fish were rising, after some rather small fly. The beat is a collection of small carriers and it was upstream fishing on the same bank all the way. Again, except in one case, it was impossible to tell the size of the fish from the rise. I caught a couple and then lost three in a row after I thought they were well hooked. I then did what I should have done after losing the first—had a look at the fly and found the barb was off the hook.

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Ready for Epsom... Lester Piggott and Willie Shoemaker

Dominic Wigan on Epsom week

Derby double for Piggott?

LESTER PIGGOTT, who remains just one winner away from that elusive record haul in the Classics set up by Frank Buckle in 1793, could be without a ride in Wednesday's

Derby meeting. Unless his intended Epsom mount, Dahaar, either wins or is beaten excusably in tomorrow's French Derby by Lypnord out of Dartmoor on whom Piggott won successive Benson and Hedges Gold Cups as well as a mile and a half at Teesside and Queen Elizabeth Diamond Stakes.

But much as I would like to see him giving Piggott that record of 27 British Classics on Wednesday, I prefer El Gran Senor. He is as good a miler as Sir Ivor and Nijinsky in the view of Vincent O'Brien. Doubts are minimal over his ability to stay a mile and a half provided that the ground is no worse than a year ago when Teemo ploughed his way through the mud to one of the slowest times this century.

The Oaks, which is sponsored except in the mind of Piggott, who says: "I have promised to ride him in the Derby provided he is placed at Chantilly." "Obviously I'm taking a risk of having no Derby mount but I think this is a great horse."

And trainer Maurice Zilbert said Dahaar should be well up to taking in two Derbys in the space of four days.

Dahaar was a far from impressive winner of a maiden event at St-Cloud early last month. But 12 days later in Longchamp's Prix Lupin, when brought from a long way back

Trevor Bailey after Old Trafford

England's trouble

ENGLAND'S chances of winning the first Texaco one-day international on Thursday were greatly improved when the groundsmen produced a "slow turn," just the type of pitch which would suit us in a Test.

The outcome was that Miller, even though his control was not as disciplined as expected, proved to be easily our most effective and economical bowler. If Embury and Underwood had been bowling in double harness on it the West Indies would have struggled to reach 120.

Why the England selectors failed to include two spinners in their squad, is difficult to understand. Don't they know that West Indian batsmen on any wicket are far less convincing against slow than quick bowling?

At Old Trafford, two spinners would have had the additional bonus of a helpful pitch, which would almost certainly have meant England arriving for today's match at Trent Bridge one up, instead of one down.

In contrast, Richards, which turned a heavy defeat, Richards not only produced beautiful exciting strokes, but he also manipulated the strike during a last wicket partnership of over 100 in masterly fashion.

It is difficult to be optimistic about today's outcome. I assume Randall will be brought into the side, and after last winter

Cowans 11 wickets are currently costing over 45 apiece.

The respective bowlers tell the same story. The two Englishmen who qualify, Willis and Botham, have not been nearly so successful as the West Indian trio of Garner, Holding and Marshall, while it is hardly encouraging that Cowans 11 wickets are currently costing over 45 apiece.

TRUCK RACING ARRIVES

IT HAD TO COME: after racing cars and motorcycles—now we have racing trucks.

The concept is already several years old, and draws large crowds in North America, where it originated. Three years ago it came to the Continent, with a crowd of 200,000 attending the truck race at Le Mans last year.

On September 29 and 30 it will finally arrive in the UK, with the first ever truck grand prix to be held at the Donington Park circuit in Leicestershire.

Observers of this latest form of motorsport say the spectacle is pretty awe-inspiring. Consider the ease with which the latest tractor units haul their 25-ton loads at 70 mph or more on motorways, it should not be surprising that minus their loads they are rapid movers when their 12- and 14-litre engines are given full free rein.

FINANCIAL TIMES

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Saturday June 2 1984

Inefficient markets

MEMBERS of the securities industry like, in their more pompous moments, to talk about "efficient market theory". This theory states very simply that everything known about anything that is already discounted in the current prices of securities. It follows, therefore, that it is impossible for the individual investor or investment manager to beat the market unless he has inside information, or very good luck.

This is obviously a favourite doctrine with portfolio managers, since it suggests that they cannot be blamed for failing to do the impossible. The further implication of the theory—that it is a sheer waste of resources to pay good money for portfolio management—is somehow not so widely proclaimed.

However, the theory also clearly suggests something about the behaviour of markets as a whole; for if prices discount existing information, they can only move in response to new information. This in turn means that the kind of near-panic we were watching earlier this week must be inspired by some correspondingly bad news.

This is obviously nonsense.

Nearly all the "news" which has emerged during the bear market—apart from the worsening situation in the Gulf—was simply a confirmation of what was already known, and presumably already discounted.

The U.S. deficit is proving hard to finance. The oil we are burning in our power stations to keep Mr Scargill at bay has to be paid for, which shows up both in public sector borrowing and in the current account. So what's new?

The trick

Investors might well get more reliable guidance—and certainly more practical help—by considering a rival theory of inefficient markets. John Maynard Keynes once compared share-picking to entering one of those pick-the-beauty contests which were a regular feature of the popular Sunday papers in pre-bingo days. You had to pick six girls out of a dozen. The trick, Keynes pointed out, was not to judge their looks but to guess how everyone else would judge them.

It is much the same when it comes to guessing movements in the market as a whole. The trick is not to judge whether the news is good or bad, but to judge whether the market's mood is good or bad. This, after all, is what chartists, with their trend lines, support levels and breakouts are supposed to be able to judge; and chartists have never been so influential as they are today.

There are some good reasons for this apparent retreat into black magic. Perhaps the

strongest is the behaviour of portfolio managers themselves. They tend to rush hither and yon like a flock of sheep, watching each other's behaviour rather than the news, because no humane investment committee will blame a manager for going with the flock.

Growing speed

A second reason is the growing speed of transactions. Dealers in futures in particular have no time to study anything more than the charts. Both in London and Chicago, they wear lapel badges saying "The trend is your friend." That simply means "watch the charts."

Third, the economists cannot escape a share of the blame, even while they scoff at the primitive beliefs of the chartists. Their own performance, in recent turbulent years has been unimpressive, to put it charitably. All this explains why we have such a manic-depressive market, with in the same dining rooms where you could hear the FT index being talked up to 1,200 at the beginning of April it was being talked down to 600 by the end of May. Much the same sort of thing was going on, though at different dates, on Wall Street.

But how does the outsider, who has no access to these mucky dining rooms, judge the market's psychology? There is no room here for a comprehensive treatise, but at least one or two tests can be suggested, in examining the explanations which dealers give for the day's events. These are bear market examples, but the reader can readily reverse the signs.

First, watch for the all-news-is-bad-news syndrome. Thus, if the coal strike goes on, the recovery will stop; but if it is settled, the Government has lost its nerve. Or if the oil war goes on, oil prices will rise and we will have inflation; but if peace is restored, oil prices will fall, sterling will collapse, and we will have inflation again.

Second, watch for jumping-at-one's-own-shadow. Thus, I am gloomy, so I am keeping money in the bank rather than buying gifts; therefore the supply will shoot up, and make me gloomier.

Third, there is the false conclusion from true facts. Thus, the debtor nations are beginning to assert themselves, which means trouble for the banks (true); therefore interest rates will rise (absolute nonsense—financial fright and a reluctance to lend except to the highest quality borrowers brings rates down, not up, as we saw only two years ago).

Finally, buy when you hear some sense again. Nothing can make a pretty sight of the City in a blue funk; but with understanding, it need not be an expensive spectacle.

Trying to cut air fares

From Mr F. Law

Sir—It is refreshing to hear Mr Nicholas Ridley, the Secretary of State for Transport, call to eloquently and enthusiastically air fare cuts. We, the public, must support him in every way we can.

The insistence by state airlines generally to retain the status quo, thus preserving what amounts to a monopoly situation, is very strong indeed. In negotiations at European Community levels, one is opposed at every attempt one makes to open up air fare competition. The Commission's proposals are not going nearly far enough, and one hopes the Secretary of State will have his way, which will help the consumer throughout the European Community.

F. S. Law,
(Member of the Economic and Social Committee Brussels).
61 Cadogan Square,
SW1.

The future of Thamesmead

From Mr D. Everett MP

Sir—Your article on the future of Thameside (May 29) was both interesting and informative. It also inadvertently incorporated the main reasons behind the abolition of Greater London Council, and the need to remove this unnecessary tier of local government.

The development of the Thamesmead project was an exciting and ambitious one, but after nearly 17 years of activity, and vast expenditure, the project is nowhere near completed. There are few facilities in Thamesmead today, no town centre, few shops, no swimming pool and few social activities for the residents. It is also an unbalanced development with a heavy public sector housing dominance, and as the article stated only some 6,500 dwellings have so far been constructed at the cost of some £100m.

The abolition of the GLC has concentrated the mind at County Hall wonderfully and the long promised town centre

must be in the very area of strategic planning that GLC supporters so regularly cite and praise. Such basic facilities as a town centre and shopping precinct should have been top of the list of priorities as they are crucial to the success of any new development. They should not be an afterthought.

Surely a new body to take over and complete the Thamesmead project could not be worse, and would probably be more efficient and effective.

David A. Everett.
House of Commons, SW1.

Done-down dons

From Mrs V. Korah

Sir—A further reason why university dons still feel down (May 24) may be that they seem not to have compared like with like. Few scientists without at least an upper second class degree would become dons.

Most scientists would have worked for a PhD for 3 years on a student grant or very low salary. They would expect to do better than the average for the private sector of those with only a BSc of any class.

As you explain, the higher income obtained by dons is partly due to seeking and undertaking additional freelance work. Often this means working evenings, weekends and holidays. Liability for negligence may be incurred. It would be interesting to have statistics tabulated for basic salary, additional earnings, and normal hours of work for the two categories, broken down for the class obtained in the first degree.

(Mrs) Valentine Korah
Faculty of Laws
University College London
48 Endsleigh Gardens, WC1

The small investor

From Mr S. Penwill

Sir—it is suggested that, as a result of the anticipated changes in the make up and operation of stock exchange firms, it will become difficult to deal in anything except large quantities of leading securities. If the smaller investor (who

WITH national examinations looming amid teachers' strikes there could be safer people to ask about Sir Keith Joseph's record as Education Secretary than a Labour stalwart heading a comprehensive school in the still depressed North. Bill Goddard's fierce first reaction suggested why his 650 pupils nickname him the Ayatollah.

"I hate Joseph's politics," snapped the head of Sheffield's Thornbridge School. "I dislike his manner. Indeed, I despise his whole style."

"That said, though, he has got people in education thinking like nobody's done before. We're asking ourselves where we are, where we ought to be going, how to get there and what we should do when we arrive. Letting the pay dispute happen is a stupid shame. It's disrupting schools just when most teachers have never been keener to respond to calls for change."

Never before, too, in the field of education has a single Minister called for so many changes in a shorter time. During Sir Keith's 31 months as Secretary for Education and Science—his seventh government office in a 20-year political career—his department has averaged an important review or proposal for reform about every 10 weeks. While some of the schemes originated with his predecessors, he cannot be denied credit for ushering them into public view.

His onslaught is the more remarkable because the Education Secretary has traditionally been largely powerless to effect educational change. Although 44 UK universities are dependent on block grants of funds through the Treasury, they are cushioned against political direction by a 65-year-old quango, the University Grants Committee.

Young. By next year the MSC will be directly financing experiments with technical and other work-related courses in about half the local authority areas. Plans to increase the commission's financial power over sub-degree courses in colleges, however, are being resisted by the local government associations.

Sir Keith is nevertheless far

short of having sufficient power

to require the education com-

plex to pursue, let alone

achieve, his ambitious aims for change.

The various approaches have

the same broad object. It is to

refit the complex so the content of its courses and abilities of its staff match the needs of young people soon to live and work in a western democracy increasingly dependent on advanced technologies.

One proposal is to extend

both what is taught and what

is recognised as achievement

well beyond the academic curriculum associated with grammar schooling, which still dominates the activities of the largely comprehensive secondary schools. The extension is intended to develop the more practical aptitudes and interests of children whose intelligences run in directions other than the theoretical. Sir Keith wants the willing scholars also to study the skills of designing, producing and marketing goods.

"It's heresy to involve

academic minds in practical

matters," he says. "Unlike uni-

versities which believe the

nation cannot have enough of

its children pursuing specialised

scholarship, Sir Keith is

adamant that the

majority preferring arts should

become numerate and

scientifically and technologically

aware. That should be helped

by the proposed supplementary

exams to be set alongside the

Advanced levels for sixth-



Sir Keith Joseph: a "passionate" desire to raise standards for children of all types and levels of ability

each subject area are laying down certain levels of knowledge and capability—where appropriate, in oral and practical, as well as written tests—as near-absolute benchmarks for the grading of candidates. Sir Keith will approve the change in principle within a few weeks, but is not saying whether he will also substitute a single 16-plus examination for the present separate exams for Ordinary levels and the less academically esteemed Certificate of Secondary Education.

Further changes are intended three or four years later to establish ladders of graded progress, of the kind used to rate proficiency in playing musical instruments, to assess children's attainments more sensitively still.

However, the steps being taken represent no more than a faltering start towards the radical reforms Sir Keith has outlined so boldly. Take, for example, his rigorous aims for primary schools.

A typical response from the actual chalkface was supplied by Paul Upton, head of Avishay's primary school in Somerset: "I couldn't agree more that there's a need for every improvement he suggests. I feel sure they are all attainable in schools where there's at least a framework of tradition and experience of educating young children to something worth calling rigorous standards of work and discipline. The trouble is that a good many heads and teachers in primary schools today have gone straight into classrooms where there is no such tradition from training colleges where it didn't exist either."

"How are they going to get any experience of what rigour of that kind means with the squeeze on their local authority's budget for in-service training, not to mention everything else educational? Joseph seems to think his improve-

ments can be made without more money, but some can't especially staff development."

"Like most schools now, for instance, we have a micro-computer. Considering the little training my staff have been given and the limits of the software available, we're not doing badly. It could, of course, be employed much more productively if we had a good teacher with the computer skills to exploit it. Recruiting one is virtually impossible against competition from business firms when all you can offer is the standard teachers' pay scales."

On that practical point like so many others, however, Sir Keith offers only his hope. In this case it is that unions and authorities will soon reach agreement after years of negotiations on modernising teachers' pay and conditions of service. But his approval of any agreement will depend on its including not just flexibility in the rewards that can be offered to attract skills in short supply, but provisions to rid education of heads and teachers who are incompetent. For him to bless an agreement with an extra influx of taxpayers' money, it will have to be demonstrably watertight.

Short of that, he insists, even the 1984 pay increase of 4.5 per cent already offered and rejected can be afforded, only by further cuts in teaching staff. So the pay dispute seems doomed to fester on, weakening teachers' morale, which Mr Upton and Mr Goddard in Sheffield are both convinced

can go no lower without dragging down prospects of any really productive change.

"It's more than the damned pay deadlock," says Mr Goddard. "Joseph's whole attitude has tended to strike teachers as belittling them. You'd think he could have seen

that we needed to be given a vote of confidence in some things at least, but all he has done is be hypercritical of what we do. That boils down to the opposite of motivating people to take on new challenges."

Sir Keith, on the other hand, appears to believe he has said and done everything he can at the moment. "Even a dictator could not enforce rapid change in an education service like ours," he says. It causes him no qualms to think that the initiatives he has taken at the age of 66 might not result in his desired up-to-date service until well after he is dead.

There, Mr Goddard again fiercely disagrees. "I don't say it can happen under this style of government," he says. "But if education hasn't changed to meet the new needs of society within very few years from now then schools and so on as to know them will probably have lost their last chance of being accepted as adequate for the times."

Letters to the Editor

one with less than £20,000 to invest) becomes unable to deal in the shares of second line companies as a result, he will abandon the stock market in favour of unit trusts, building societies and the like; the change will of course also seriously affect the affairs of unit trusts and investment companies who specialise in the second line investments.

Furthermore many unlisted companies, with great potential growth, would be prohibited from applying for listing if a market were not guaranteed, and the raising of new money for the expansion of industry would be seriously affected.

Presumably none of these problems were foreseen when the Restrictive Practices Court inserted and caused the present upheaval.

S. W. Penwill
Room 5, 23
76 Shoe Lane, EC4.

Taxing profits makes no sense

From Mr E. Wood

Sir—Mr John Woodthorpe (May 29) is almost right when he says that taxing profits need not make much sense. The only justification is that the tax bears on those who can afford to pay. But a tax on profits is a tax on efficiency and a high rate of tax encourages unnecessary expenditure simply to save tax. He's also right in condemning a tax on turnover. This would bear more heavily on companies with a high ratio of purchases to sales. The answer is to base company tax on added value. This should not be confused with VAT which is not borne by VAT registered businesses. A low rate of tax on added value, say 5 per cent, would raise a large revenue and would bear equitably on all businesses. It would be cheap to collect through the VAT system.

The main merit of such a tax is that it would encourage efficiency and it would not put out of business the inefficient people who make lesser business.

are told that we will have the chance to change things at the next district council elections—the way things are going the planning sub-committee will have destroyed the beauty of south Oxfordshire before that election happens.

Peter K. Minton
Hardwick Road,
Whitchurch,
Reading.

UK energy policy

From the Director,
Association for the Conservation
of Energy

Sir—You report (May 25) that the House of Commons select committee on energy is concerned at the way in which British Gas' proposal to acquire 2000 units of supplies from Norway's Sleipner field has been rejected apparently last minute scrutiny by the Treasury.

Inevitably a large part of the controversy concerning the Sleipner contract has been devoted to consideration of whether alternative energy supply investment in the UK might be more cost-effective.

As the energy committee itself concluded however in its Sleipner inquiry, the whole issue raises a number of other considerations which really do need to be taken into account by government, preferably before any final decision is taken. Specifically there need to be periodic reviews of UK energy policy which includes energy demand as well as supply projections, to establish whether such strategic decisions—with their effects upon UK prices—further enhance the relative cost-effectiveness of national investment in energy conservation, or in alternative systems.

In its first report in the 1979 session, the energy committee stated that "We were dismayed to find

D-Day

D-Day: a requiem on the beaches

We didn't come back to tell old soldiers' tales, to bask in heroes' sunshine or to put wreaths on graves'

Alan Forrest
on memories of
40 years ago

ENGLISH schoolchildren's voices on the beach at Arromanches. They were building sand pies. It could have been Worthing or Littlehampton except for the pillboxes, the bits of Mulberry and the war museum.

I was standing there with another Normandy veteran, an ex-artillery man. "Well, that's what beaches ought to be for," he said as another half dozen sand pies descended from the buckets.

Finally the kids heard our English voices and milled around asking what it was like 40 years ago. We tried to tell them and explain why we'd come back if it had been so awful.

"But did you kill a lot of Germans, sir?" ... "What sort of a gun did you have?" ... "My grandad was here on D-Day. The last one made us feel very old."

We walked away after signing a few autographs and were still wondering why we came back. It certainly isn't to tell old soldiers' tales, to bask in heroes' sunshine, or even to put wreaths on graves (a fairly unproductive exercise).

It is a requiem for doomed youth? Well, I know that I, who went there as a 19-year-old infantryman 40 years ago, returned to remember my friends who lost their innocence and their lives in those bloody



hedge rows and since then I have had a good life helped by a lucky Blighty wound just after the Battle of Caen.

I went back to Caen. Well, not exactly back, because I hadn't seen it before. Caen to us was almost a codeword, like "Charnwood" and "Epsom" and "Goodwood"—those evocative, peaceful names given by our betters to operations which would frighten the living daylights out of us.

To us, Caen was a collection of little towns—it was Fontenay-le-Pesnel, Villiers Bocage, a lot of Bretevilles, and those hedgerows. Battled buildings with an occasional untouched Calvary pointing to the sky. Dead men and dead cattle. And the sound of Moaning Minnies—that German six-barrelled mortar which made the most stomach-churning sound I've ever heard.

I wondered what it would be like in Caen. People told me that they don't feel exactly enthusiastic about the British there. After all, we turned the great Duke William's city into a ruin. Alexander McKee in his book Caen, Anvil of Victory (reissued in a 40th anniversary edition), says it all in a stark last paragraph:

Just a waste of brick and stone, of buildings which had cost so much to build and so very much more to destroy. The people gazed at us without emotion of any kind; we could

hardly look them in the face, knowing who had done this. These were the people we came to free, and this is the price that freedom cost.

Well, Caen is an elegant city, rebuilt as it ought to be. No body will like you there. I was told—Normans are dour and charmless and Caen is even more so. I didn't find it like that. I was welcomed, and as I lay in the sun on the riverbank, stuffed with beef Bourguignon, reading McKee, I thought: "This is better than last time."

Veterans going back won't have many problems getting around. In Bayeux, I happened to mention Villiers Bocage and a man in the restaurant said "I live there" and insisted on letting his crew land to get samples of sand on the beaches for souvenirs.

I remember my landing, armed to the teeth and terrified. As we waited—oh, God, how we waited!—in the side of a road, my rifle was run over by a British truck and broken in half. So there I was, ready to liberate France with a weapon that looked like an obscene skipping rope, barrel on one side, butt on the other suspended from the sling.

There was the night when a permanently hungry colleague nicknamed Dagwood, after Blondie's husband in the comic strip, ran out to confront a tank in order to get a packet of biscuits, discovered it was a Tiger, and made the fastest retreat in British military history.

These were the things we talked about and not the deeds of bravery which are well written into regimental histories. I talked to Ray Taylor, an ex-cavalry sergeant-major, a retired publican living now in the Isle of Wight.

Ray was regarded by my Blighty wound—I had been washing mess tins at a village

pump when the SSs unfortunately started up. He got his wound in a tank—a shell hit the top of it and all that happened to me was a fractured skull and a punctured ear drum." He was back in the line shortly afterwards.

Ray went back to Fontenay one evening with a French friend and found a live grenade in the ground. "What are you going to do?" his friend said. "I decided, nothing much—I escaped 40 years ago and I'm not going to die now."

Jay Williams, all the way from Alaska, with his wife, did not talk much about Normandy but about how he discovered English beer when stationed over here before the invasion. "I can't drink American beer now, but luckily we've got Bass, Worthington and Whitbread in Alaska."

So I'm sorry I'm not telling stories of heroism. There are many and as you walk about the war museums you see the evidence. And we still see them belong to an elite—the late Ian MacLeod once recalled that on his way to the beaches he mouthed the words of Henry V.

"And gentlemen in England now abed, shall think themselves accursed they were not here." We felt a little of that too.

But I suppose we were avoiding that little boy's question— "Did you kill a lot of Germans, sir?"

The battle reassessed

Beating 'the finest fighting army of the war'

IN HINDSIGHT the success of the Allied landings in Normandy on D-Day, June 6 1944, and the eventual total destruction of the German armies defending France, appears to enjoy a character of inevitability; a certain victory for overwhelming air, sea and land power. However, as the confusions, setbacks, hard fighting and finally narrow beach-heads of D-Day indicate, the margin between a firm lodgment and a catastrophic failure was slender enough.

Even after the Allies had consolidated a continuous front, there remained a real possibility that the German build-up over land could outmatch the Allied build-up over sea, thus leading to stalemate. Eisenhower, for one, feared in July that this might be happening. The consequences for world history of a failure can only be a matter for speculation.

It can be said that a further prolongation of the German war beyond May 1945 would have found Britain at the end of her strength, indeed with her armies rapidly shrinking. Moreover, with the Allies either repulsed or on the beaches in 1944 or stale-mated in Normandy, Germany's defeat (if in such circumstances she had been defeated) would have meant an advance by the Red Army right across Europe into France and the Low Countries—with all that that implies for the post-war international scene.

It is therefore entirely proper, and not merely utilising an anniversary as a "peg", to examine afresh the Normandy campaign, from the initial plans and preparations, through the

critical hours of D-day itself, to the final complete victory at Falaise at the beginning of August.

Such is the scope of Max Hastings' new book—Overlord: D-Day and the Battle for Normandy 1944 (Michael Joseph, £12.95). He brings to the subject the high qualities as a historian demonstrated by his book Bomber Command coupled with the insights into the sharp-end realities of war which he gained as a reporter with the Falklands task force.

The narrative of Overlord is a well-balanced mixture between analysis of major command problems and questions of strategy, discussion of general topics such as the quality of training and equipment, and vivid reporting (based on extensive interviewing of survivors) of the fighting experiences of Allied and German soldiers. These eyewitness accounts are not used merely as human-interest stories, but as a relevant extra dimension to the author's analysis of broad military questions, and as a proper reminder that beneath the arrows on the map lie fear, fatigue and smashed bodies.

What emerges is a series of fascinating contrasts between the two opponents. Except for an air commander-in-chief who attracted deep mistrust from both his British and American colleagues and other shortcomings in the system of army liaison, the Allied commanders worked well together, while the command system itself was functionally well conceived.

On the German side, however, there was confusion to the point

of chaos from the Führer himself, with no single supreme theatre commander controlling all land, air and sea resources, and no single field commander commanding all available army formations. From first to last there was no theme in the German defence, merely ad-hoc and sterile backbiting between generals.

By contrast, and although he failed in his original intention to seize a wide tract of ground south-east of Caen, Montgomery never lost the initiative nor his grip on the overall pattern of the campaign.

Yet at the levels of divisional commander down to trooper, Hastings argues the German soldier proved himself tougher, more skilful and more enterprising than his Allied opposite number. Even a green formation like 12th SS Panzer fought like a veteran from its first day in battle.

Through the attrition battle in the hedgerows of the bocage in June and July to the last rearguard actions round Falaise

in August the German army pitted sheer professionalism and military virtue against the massed air and fire-power and superior numbers of its enemies and the incompetence of its own Führer and high command. It was this professionalism that enabled the German defence to abort all Montgomery's massive blows on the British sector round Caen and keep the Americans stuck inside the bocage where grand strategy has its ultimate cutting edge.

Such considerations lead the author to judge afresh the role and performance of Allied leadership, above all Montgomery, but also Bradley, the American field commander. They were, in fact, only too well aware of the combat inferiority of most of their soldiers, NCOs, junior officers, even their divisional commanders. They knew that Allied tanks were out-gunned and out-armoured by German. In a sentence, they commanded a much bigger but flabbier army.

Max Hastings notes a related contrast in the nature and quality of the weaponry on both sides. The Allies enjoyed complete air superiority, could strike all that moved in daylight behind the German front, could drop thousands of tons of bombs on an axis of attack, and yet fail in the air-land liaison system meant that the air forces took little effective part in close support against German strongpoints either on D-day or during offensives like "Goodwood." But if the Allies enjoyed a colossal advantage in the "high technology" of air-power, and indeed in sheer weight of artillery and numbers of tanks, the German army's "bread-and-butter" weapon was immensely superior in quality to the Allied.

The Sherman tank was a tin-can compared to the Panther

or the Tiger, while the 88 mm gun remained the most formidable tank-killer of the war; even the German light machine gun, hand-grenade, and hand-held anti-tank weapon were far better than British or American models. Nor could the Allies match the Germans in pro-

tection, significantly and incorrectly called the "seizure of power," was overshadowed by the morbid and ludicrous affair of the forged Hitler diaries.

Often, historical judgment is oddly unbalanced. Some commentaries on the Israeli invasion of Lebanon in the summer of 1982 made comparisons with Nazi practice. Some members of the West German peace movement compared their own hostility to the deployment of nuclear missiles in West Germany last year with the plot to assassinate Hitler on July 20 1944.

The notion of coming to terms with the past is a single word in German but is not a simple process. The screening in 1979 of the U.S. television series, *Holocaust*, made a greater impression than years of careful historical research and broadcasting.

However, each new anniversary is the occasion for an ever wider discussion

on the attitude to the

IN Welwyn Garden City there is a branch of Tesco, the supermarket chain, where the only apple for sale costs hundreds of pounds ... and is a computer. For over a year a special Tesco store has been selling personal computers, such as those from Apple and IBM, to businesses.

This week W. H. Smith, the high street newsmen and bookellers, opened the first of three specialist centres devoted to selling microcomputers to business. If these succeed W. H. Smith intends to build a national chain of computer centres.

And last month a new entrepreneurial group called First Computer announced it intended to build just such a national chain of 50 shops selling micros to business by the summer of 1986. First Computer, which has opened four stores to date, is being backed by the Heron Corporation and is run by Mr Cyril Spencer, former chief executive of the Burton Group.

Encouraged by their success in selling home computers, Britain's leading retailers are increasingly attracted by the booming sales of personal computers to business, which was worth £170m in the UK last year, according to consultants IDC-Europe. Although this falls short of the 2200m sales of home computers last year, the business computer market is seen as more stable and has potential long-term growth. No one knows if the home computer will yet prove to have been a fad.

There has been increasing concern as companies like Dragon, which called in the receiver yesterday, have got into financial difficulties.

In the U.S. personal computers are increasingly sold through chains such as Computerland, Sears and Businessland.

Mr Chris Buck, head of Applied Computer Techniques, franchised retail unit, ComputerWorld says: "I think the days of the independent dealer are numbered."

The other trend becoming apparent on both sides of the Atlantic is an emphasis on helping customers overcome their apprehension of computers. In the U.S. consultancy Dataquest, says: "There is an enormous difference between the U.S. and Europe. The U.S. is used to the franchise method of operation, which Europe is not. Also Europe is not used to putting venture capital into training with every sale."

Businessland started in November 1982 with £25m (about £15.4m) venture capital.

It will have opened 44 centres by the end of June and raised a further £50m in a public offering last December. It is opening stores at the rate of six a month.

Similarly the centres being opened by First Computer, W. H. Smith, Micro C (Currys) and ComputerWorld all provide an environment which is attractive to businessmen and help them understand and use computers.

Mrs Margaret Theroux, founder and a director of First Computer, says: "One of the



Hugh Routledge
Maggie Theroux, First Computer's product director

Business computers

High Street hard sell

By Jason Crisp

keys to our business is including training with every sale. People who use microcomputers without training are usually not satisfied—yet there is a tremendous resistance to paying for it. We are looking for customers who will come back."

Several U.S. chains are also moving to Europe. Computerland, one of the leading franchises there, announced big plans for Europe early last year. Businessland is also expected to enter the UK later this year.

But Computerland's progress has been much less than it originally hoped. One problem has been the comparatively high initial cost to buy a Computerland franchise. Mr Miles Thistleton-Waite at Intec, part of the U.S. consultancy Dataquest, says: "There is an enormous difference between the U.S. and Europe. The U.S. is used to the franchise method of operation, which Europe is not. Also Europe is not used to putting venture capital into training."

The approach is also being adopted by W. H. Smith and ComputerWorld but not by First Computer, which is banking on the attractiveness of its shopfronts to bring in customers, backed by extensive TV and press advertising.

Clearly most of the larger chains like W. H. Smith still view the market with considerable caution, and see their first computer centres much as putting a toe in the water. Mr Malcolm Field, managing director of W. H. Smith, says: "My only nagging doubt is whether the British businessman is prepared to take on the technology change of using a computer."

BUILDING SOCIETY RATES

	Share	Subpn	
	s/c/s	shares	Others
	%	%	%
Abbey National	6.25	7.25	7.25 Seven Day Account
			7.75 Higher Interest acc. 90 days' notice or charge
			5.00-6.50 Cheque-Save
Aid to Thrift	7.50	—	— Easy withdrawal, no penalty
Alliance	6.25	7.25	7.25 Monthly income—months' notice
			7.50 28 days' not. 1m wld 28 days' pen if bal undr £10,000
			7.25 7 days' notice. No interest penalty
Anglia	6.25	7.25	7.25 3 year Bond. No notice. 3 months' penalty
			7.50 Capital Share. No notice. 1 month's penalty
Birmingham and Bridgwater	6.25	7.75	7.25 5 days' notice or 20 days' int. pen. £500 min.
			7.75 Guaranteed fixed rate. 12 months. £500 min.
Bradford and Bingley	6.25	7.50	7.50 On demand, no penalty
			8.00 High yield SAYE 7 year lump sum scheme
Britannia	6.25	7.25	7.25 7 days' notice, 7.50 28 days' notice
			7.75 *7.50 Share Account balance £10,000 and over
Cardiff	6.50	7.75	7.75 7 days' notice, 7.50 £5001 +. Monthly int. Extra Share
Catholic	7.75	—	—
Century (Edinburgh)	7.75	—	8.75 Variable. 8.85 Permanent 2% 3 years
Chelsea	7.25	8.10	8.10 3 years, immediate withdrawal interest pen
Cheltenham and Gloucester	6.25	7.25	7.50 Gold account £1,000 +. No notice. No penalties
			Monthly int £5,000 + 7.76 if added to account
Citizens Regency	6.50	8.00	8.00 Plus account no penalty. Double option 7.50
City of London (The)	6.50	7.25	8.00 6 months' notice—no penalty during notice
Derbyshire	6.25	7.50	8.00 28 days' not. 6.75-7.60 3 months' notice
Gateway	6.25	7.25	7.25 £1,000+ Gold Star no notice, no penalties
Greenwich	6.2		

Dobson Park warns on second half outcome

IT IS unavoidable that the coal mining industry dispute will affect full year results of Dobson Park Industries, warn the directors in their interim statement. Dobson's mining equipment operations helped to push group taxable profits up from £2.89m to £4.45m in the first half but, although internal action has been taken to minimise its effect, the dispute will "seriously depress" this division's second half performance.

This is "particularly disappointing," the directors say, when some overall recovery was expected in group profits this year, as well as a worthwhile contribution from recently acquired toy manufacturer Britains.

However, they point out that when the dispute is settled the company fully expects a strong demand for mining products to return.

The company's profits in the operating period to end-March 1982 were ahead of expectations. The improvement was derived in similar amounts from mining equipment and power tools.

In March, domestic demand in mining equipment enhanced the performance that had earlier been in prospect and resulted in profits moving ahead by £129,000 to £3.03m.

The continuing recovery in power tools was better than had seemed likely with profits more than doubled at £1.24m compared with £339,000.

Elsewhere, property and investment management contributed £54,000, against £21,000, to group results but engineering suffered a £593,000 turnaround into the red with losses of £14,000.

Group turnover for the period exceeded by £10.3m to £37.88m and taxable profits were struck after a group management debit of £215,000 (credit £37,000).

The interim dividend is held at 1.8p and is more than covered by earnings per share of 2.8p

Comment

The strength of Dobson Park's results coming after the chairman's cautious AGM statement has thrown analysts into some confusion. But it appears to be no flash in the pan, rather the start of a steady all-round improvement in all aspects of Dobson Park's business.

The effect of the miners' strike is an unfortunate damper for the second half, but even this bad news is not so bad as to suggest that the company will manage to make this up in the next couple of years when the dispute is ended and the NCB sneaks in its modernisation programme.

Away from the main mining equipment division, power tools has shown an advance helped by the Kango range gaining market share under competitive conditions. In the U.S. signs of a pick up in mining activity is reflected in the improved performance from Marathon Industries which is probably approaching break even. Britains will benefit from the return from the tool division in the second half. The company could top 85.5m pre-tax for the year and on a maintained dividend of 5.21p net the shares, which closed at 87p up 2p, yield a generous 11 per cent.

Lanca's modest rise

An increase of £12,000 in £179,000 in pre-tax profits for 1981 is reported by Lanca, the Oldham-based manufacturer and wholesaler of handbags. The dividend is unchanged at 2.4p net.

Turnover was up from £2.44m to £2.47m, but there was a slight fall in operating profits, which went down from £15.800m to 13.5m. Pre-tax profits included bank interest received, £44,000 (£29,000). Tax was 15.5m (£22,000). Earnings per 20p share improved from 8.54p to 11.15p.

Take-over bids and deals

Activity in the Bids and Deals sector showed no signs of slackening this week. Among the major developments, British Electric Traction made a £16.5m offer for the outstanding 59.3 per cent of Initial, its trolley rental and cleaning associate and, at the same time, reached agreement to sell the television rentals operations of its Redifusion subsidiary to Granada for £120m. Granada arranged the finance for its acquisition with a placing of 75.2m new shares at 155p per share. Both deals are conditional upon shareholders' approval, but already there are indications that independent shareholders in Initial may resist the offer of 52p per initial share and try to extract a higher price.

Food retailer Dee Corporation, formerly known as Linfield, launched a £32.5m bid for food distribution group Booker McConnell. Dee is offering three new ordinary shares and 400p of convertible loan stock for every 10 Booker shares, valuing the latter at 165p per share. The takeover, if successful, will create a retail supermarket group with more than 500 stores and about 6 per cent of the grocery market.

Grand Metropolitan agreed to sell Liggett and Myers, its U.S. cigarette business, to local management and employees for £25m (£23m). Grand Metropolitan had been discussing the sale of the cigarette operations for several months and is now going to concentrate mainly on developing "branded consumer services and branded consumer product sectors."

Hawley Group and British Car Auctions announced plans to form a Canadian subsidiary of Hawley which will be used to combine a number of their investments in the UK. The move follows criticism of Hawley and BCA's frequent purchases of stakes in companies not related to their main businesses. Midepsa, a Canadian shell company in which Hawley has a 72.5 per cent interest, is making a 29.6m cash offer for the Hawley offshoot Coleman Milne, the USM-quoted car conversion specialist who's own quotation has been jeopardised by its 14 per cent stake in Lotus Cars and its 28.2 per cent stake in garage group Henrys. Apart from Coleman Milne, other Hawley and BCA investments to be acquired by Midepsa include the acquisition of a 13.41 per cent stake in Cope Allman at 53.25p per share. This, and another Cope Allman deal, trigger a compulsory bid for Cope Allman from Midepsa.

Midepsa is also buying Hawley's 26.44 per cent holding in Miss World Group, BCA's and Hawley's 19.85 per cent stake in Pineapple Dance Studios, and a 7.56 per cent interest in L. D. and S. Richin.

Mr Simon Fussell, a director of property investment concern Priest Marius, has purchased 44.44 per cent of the company at prices up to 45p per share and has extended an offer at that price to other shareholders. Brokers Hoare Govett have agreed to place sufficient Priest shares for which acceptances are received to

satisfy the City Code requirements and for sufficient funds to be available to Mr Fussell to satisfy full acceptance of the offer.

John Moore, City correspondent, looks at Lonrho's war of attrition for Harrods stores group

Further investigation by Monopolies Commission

IN December 1981, when the Monopolies and Mergers Commission ruled that a takeover of House of Fraser, the stores group, by Lonrho, "may be expected to operate against the public interest," nobody thought that the matter would rest there.

Mr Roland "Tiny" Rowland, Lonrho's chief executive, is one of Britain's most determined and obsessive entrepreneurs who does not like losing. At the time of the Monopolies and Mergers Commission decision he explained, when House of Fraser said that it had won all the battles, "Battles, these are mere skirmishes. It is who wins the war that matters."

Since the adverse Monopolies

and Mergers Commission decision Mr Rowland embarked on a new campaign to wear down the House of Fraser board. This campaign centred on a plan by Lonrho to float off Harrods as a separate company in a demerger arrangement.

Lonrho, the Fraser board feared, would bid for Harrods if the company was ever demerged and so, at the plans have been successfully resisted.

But with every successive campaign Lonrho has steadily been gaining more support for its ideas from large shareholders who are growing tired of the battle. Its most important breakthrough came in November 1982 when the group successfully gained shareholders' approval

for a resolution calling on the Fraser board to consider the demerger proposals.

Although the plan was ward off by the Fraser board, which gained shareholders' support for its rejection of a demerger plan, Lonrho had once again succeeded in putting House of Fraser on the defensive.

The battle was joined again last month when Lonrho announced that it was seeking the election of six of its own directors to the board and six other directors, including the former chairman of House of Fraser, Sir Hugh Fraser.

Lonrho already has two seats on the Fraser board which are taken by Lord Duncan-Sandy, Lonrho's chairman, and Mr

Rowland.

The arrival of six other Lonrho directors and six supporters could give Lonrho control. At part of its plan Lonrho was also seeking to increase the size of the Fraser board from 18 to 25.

The purpose of the move was to ensure that the demerger plan was once again considered. In its latest plan to increase its representation on the Fraser board, Lonrho had apparently breached the letter of the undertakings given to the Trade Department in December 1981.

Nothing in the undertakings, which stipulated that Lonrho

should not raise its stake to 30 per cent or more, or do anything which would result in Fraser and Lonrho becoming interconnected

companies, dealt with this particular point.

The Fraser board feared that Lonrho's move would be of "a first cashless takeover" of a company. For these reasons the Office of Fair Trading suggested to the Secretary of State for Trade that the matter ought to be reviewed again by the Monopolies and Mergers Commission.

In the first instance the

Monopolies and Mergers Commission has to decide whether a merger situation exists which will require the usual formal investigation. This could take up to six weeks. If it decides to investigate further, it must remain within six months.

The matter is further compli-

cated by a Department of Trade and Industry investigation into House of Fraser shareholdings which is being carried out by Mr John Griffiths QC.

That inquiry, commenced last August, followed allegations by House of Fraser that mystery shareholdings were being built up by sympathisers of Lonrho which were acting in concert with Lonrho in its efforts for control over Fraser.

That investigation is said to be

in the "home straight" and the findings may well be available before the Monopolies and Mergers Commission completes its own inquiry.

Lonrho, in its latest campaign, has presented House of Fraser with another serious challenge

Changes made at Murray trusts

IN ORDER

to reflect the investment policy of four trusts managed by Murray Johnstone Murray Caledonian Investments Trust is to be renamed Murray Income Trust; Murray Glen-

devon Investments Trust will

become Murray Ventures; Mur-

ray Northern Investment Trust's

name will be changed to Murray

Smaller Markets Trust and

Murray Western Investment

Trust will be known as Murray

International Trust.

The whole issued share capital

of Murray Johnstone is owned by the Murray Trusts through Murray Johnstone Holdings

(1984). The companies were advised on June 1 that the combined value of Murray Johnstone and MJT Murray Johnstone Unit Trust Management as at

1981, having regard to all

to the proposed basis for the

charging of management fees in the Murray Trust was £5m, and that the value of MJT on its own was £600,000.

A letter to shareholders contains details of proposals for a reorganisation of the company's interests in Murray Johnstone and MJT. The new policies for each investment trust are:

Murray Johnstone—high income return with security and growth of capital; Murray Caledonian—growth in net asset value

through an international portfolio

and calls an extraordinary general meeting.

MAT 1983. Fraser shareholders support the board in rejecting demerger proposals.

JUNE 1983. Another attempt by Lonrho to gain support for a demerger resolution fails at the annual general meeting of Fraser.

AUGUST 1983. The Department of Trade and Industry appoints Mr John Griffiths QC to investigate the shareholdings of House of Fraser following receipt of confidential information from Fraser.

MAY 1984. Lonrho seeks to secure the election of six of its own directors and six outsiders to the Fraser board.

JUNE 1984. Department of Trade and Industry refers the latest move to the Monopolies and Mergers Commission.

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and export them to the Third World. Last year's £25m turnover is expected to rise by about 20 per cent in the current 12 months.

Global's two biggest customers are InterAg SA of France, the EEC's biggest meat exporter, which takes 13 per cent of sales, and a Unilever subsidiary, which accounts for 11.7 per cent of turnover. Other major customers include Fitch Lovell, Kraft Foods and Northern Foods.

Deals are expected to start on Thursday June 14.

The greater part of the

220,000 ordinary will be issued

for cash at par to participants

and the balance will be held in

reserve with a view to establishing

a share option scheme for the benefit of participants in the future.

The total participants' interests

in Newco, including those shares

reserved for them, will not exceed 40 per cent of the ordinary capital of Newco prior to conversion of the preference

shares.

Following the reorganisation,

assuming that all ordinary shares

available to participants are

issued to them, the value of

each share will be £1 each.

All preference shares will be

issued for cash at par to Murray Johnstone Holdings (1984).

A total of 320,000 ordinary shares

will be issued for cash at par to the Murray Trust (in proportion to their shareholdings in Holdings)

and 220,000 ordinary will be

made available to participants.

The greater part of the

220,000 ordinary will be issued

for cash at par to participants

and the balance will be held in

reserve with a view to establishing

a share option scheme for the benefit of participants in the future.

Murray Northern will own

directly 6.8 per cent of the

ordinary and indirectly 11 per

cent of the preference capital,

Murray Caledonian will own

directly 3.3 per cent of the

ordinary and indirectly 3.6 per

cent of the issued ordinary

and preference capital, and

Murray Glendale will own

directly 1.7 per cent of the

UK COMPANIES

INTERNATIONAL COMPANIES and FINANCE

RESULTS DUE NEXT WEEK

WITH a 30 per cent profits increase to £80.2m already under its belt for the nine months to mid-December 1983, and a seasonally strong final quarter to come, Reed International is expected to pitch in some good preliminaries on Tuesday.

Growth is coming across the board, particularly from publishing and decorative products, with additional help from acquisitions. The former is expected to continue to strengthen given the increase in classified advertising on both sides of the Atlantic while the North American paper operations, which have been adversely affected by unfavourable currency movements and increased costs, should to improve in the stronger newsprint market. A return to break-even in the U.S. should enable the decorative products division to return to profits. Rationalisation costs should be lower in the final quarter. Overall, analysts expect between £85m and £91m for the year, against £80.9m last time.

Hanson Trust, diversified industrial holding company, continues to digest large takeovers and increase profits year after year. On Tuesday, it will publish interim figures for the six months to March 1984 which just included the £250m purchase of London Brick completed in February. The market expects pretax profits of £55m up from £33m rising to over £40m for the year. That excludes the very recent £380m acquisition of U.S. Industrial - Connecticut-based manufacturing group and further acquisitions are not ruled out. Key elements in the first six months are the first full time reconstitution of Alders retailing acquired with UDS, and a lower interest charge halved by the hundreds of selling John Collier and Richard Shops.

As usual, the City is taking the broadest of brushes to forecast BP's results, due out next Tuesday. Net reported income for the first three months to March is expected to rise from £100m and £350m. Those figures include a swing from stock losses of some £120m to spot profits assisted by the dollar's strength of up to 25m. Refinery margins should have improved as buoyant product prices have coincided with depressed prices for spot crude, which accounts for more than half of BP's refinery supplies. Refinery volumes have been

strong, and there will be some rationalisation benefits, especially in West Germany. Meanwhile, chemicals should have more broken even as BP's production efficiencies come on line in time to catch an upturn in the industry. The upstream performance should benefit from better production flows from Magnus and Forties in the North Sea.

De La Rue Company is expected to reveal a comparatively fine performance for the year to March when it publishes its results next Tuesday. The second half should show only marginal profits improvement over the previous period as a scatter of Third World insolvency crises has not a damper on demand for banknotes. That, combined with competitive conditions in the cheque printing industry, points to a decline in the security division's profits.

Following a turnaround into profit in the first half, Crossfield Electronics has continued to advance in an expanding market, and looks on track for a swing from the previous year's £5.9m loss to a £2.5m profit. Barring any surprise exceptional provisions, the consensus is for a 14 per cent increase in group pre-tax profits to £36m, with the net total dividend up from 23.5p to perhaps 25p.

Prospects look dull for Electronic Rentals which announces preliminary figures for the year to March on Thursday. The growing trend to buy rather than rent televisions and video recorders is firmly established with the result that flat results from the rental division are expected. Total sales should have risen including a steadily increasing overseas element. Business systems, Electronic Rentals' other division, will make a bigger contribution, including a full year consolidation of acquisitions made in 1982. Overall, pre-tax profits will be down on last year's £12.1m, perhaps to £11m, though the dividend is expected to be maintained at 3.23p net. RET's decision to sell Railfusion to Granada has damped takeover prospects which had supported the share price.

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Terry Povey reports on the prosperous mercenaries of the Japanese capitalist system

Sokaiya leader defends corporate protection racket

"THEY ARE trying to exterminate us, calling us a social problem," claims Mr Masayuki Kajitani, who admits to being one of Japan's leading *Sokaiya* — the "mercenaries" who run the country's corporate protection racket.

On Thursday, however, Mr Kajitani and three fellow *Sokaiya*, along with a senior executive of Itesan, one of Japan's leading department store chains, became the first people to be charged with violations of the Commercial Law since it was revised in 1982 so as to make dealings between companies and the racketeers illegal.

According to Mr Kajitani, "Sony's case is typical example of the American way of doing things. I was not at the meeting personally, but several members of my association were present. The company had cut off all contact with us after the previous period as a scatter of

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WORLD STOCK MARKETS

NEW YORK

Stock	May 31	May 30	Stock	May 31	May 30	Stock	May 31	May 30	Stock	May 31	May 30
Citgo	29	27	GT. Atl. Pac. Tea	14	14	Mohasco	47	47	Schlumberger	47	47
Cluett Peabody	26	25	GT. Nth. Nekops	32	32	Scientific Atm.	2	2	Scientific Atm.	2	2
Coastal Corp.	21	21	GT. West. Financ.	15	15	Moore	58	58	Moore	58	58
Colgate Palm.	31	22	Harsco Corp.	21	21	Moore Macmillan	22	23	Moore Macmillan	22	23
Collins Almtn.	31	30	Harris Corp.	14	15	Morgan J.P.L.	64	64	Morgan J.P.L.	64	64
Colt Inds.	44	42	Haskins & Sells	23	23	Morrison Knud.	30	30	Morrison Knud.	30	30
Comcast Gas.	28	28	Hewlett Packard	76	76	Motors	105	106	Motors	105	106
Combust Engs.	29	28	Hill Corp.	79	79	Munsingwear	17	17	Munsingwear	17	17
Commonwealth	25	25	Hill Corp.	31	30	Murphy G.C.	36	36	Murphy G.C.	36	36
Comm Satellites	22	23	Hill Corp.	31	30	Murphy Oil	31	31	Murphy Oil	31	31
Advanced Micro	31	31	Hill Corp.	48	48	Nabisco	21	21	Nabisco	21	21
Actua Life & Gas	30	30	Hill Corp.	49	48	National Chem.	22	22	National Chem.	22	22
Ahmann (H.F.)	17	16	Hill Corp.	50	49	Hanns Mining	22	21	Hanns Mining	22	21
Air Prod. & Chem.	16	16	Hill Corp.	51	50	Harsco Brace.	22	21	Harsco Brace.	22	21
Albertson	23	22	Hill Corp.	52	51	Harris Corp.	24	24	Harris Corp.	24	24
Aican Aluminum	29	28	Hill Corp.	53	52	Hercules	20	20	Hercules	20	20
Ales Standard	28	28	Hill Corp.	54	53	Hess Mining	19	19	Hess Mining	19	19
Allied Int.	33	33	Hill Corp.	55	54	Hewitt (H.J.)	20	20	Hewitt (H.J.)	20	20
Allied Bancs	22	22	Hill Corp.	56	55	Hickok & P.	11	12	Hickok & P.	11	12
Allied Corp.	53	53	Hill Corp.	57	56	Hilco	21	21	Hilco	21	21
Allied Stores	39	38	Hill Corp.	58	57	Hilco	22	22	Hilco	22	22
Alpco Portland	22	21	Hill Corp.	59	58	Hilco	23	23	Hilco	23	23
Alcoa	53	53	Hill Corp.	60	59	Hilco	24	24	Hilco	24	24
Almax	32	32	Hill Corp.	61	60	Hill Corp.	25	25	Hill Corp.	25	25
Amherst Corp.	11	11	Hill Corp.	62	61	Hill Corp.	26	26	Hill Corp.	26	26
Amherst Hs	21	21	Hill Corp.	63	62	Hill Corp.	27	27	Hill Corp.	27	27
Am. Broadcasts	57	56	Hill Corp.	64	63	Hill Corp.	28	28	Hill Corp.	28	28
Am. Can.	42	42	Hill Corp.	65	64	Hill Corp.	29	29	Hill Corp.	29	29
Am. Cyanimid	37	46	Hill Corp.	66	65	Hill Corp.	30	30	Hill Corp.	30	30
Am. Elect. Powr.	15	14	Hill Corp.	67	66	Hill Corp.	31	31	Hill Corp.	31	31
Am. Gen. Insns.	20	19	Hill Corp.	68	67	Hill Corp.	32	32	Hill Corp.	32	32
Am. Holst & D.	11	11	Hill Corp.	69	68	Hill Corp.	33	33	Hill Corp.	33	33
Am. Home Prod.	53	53	Hill Corp.	70	69	Hill Corp.	34	34	Hill Corp.	34	34
Am. Int'l. Grp.	56	55	Hill Corp.	71	70	Hill Corp.	35	35	Hill Corp.	35	35
Am. Medical Int'l.	25	24	Hill Corp.	72	71	Hill Corp.	36	36	Hill Corp.	36	36
Am. Motors	41	4	Hill Corp.	73	72	Hill Corp.	37	37	Hill Corp.	37	37
Am. Natl. Reses.	30	29	Hill Corp.	74	73	Hill Corp.	38	38	Hill Corp.	38	38
Am. Natl. Reses.	60	60	Hill Corp.	75	74	Hill Corp.	39	39	Hill Corp.	39	39
Am. Quaker Pet.	41	41	Hill Corp.	76	75	Hill Corp.	40	40	Hill Corp.	40	40
Am. Standard	26	26	Hill Corp.	77	76	Hill Corp.	41	41	Hill Corp.	41	41
Am. Stores	29	29	Hill Corp.	78	77	Hill Corp.	42	42	Hill Corp.	42	42
Am. Stores	29	29	Hill Corp.	79	78	Hill Corp.	43	43	Hill Corp.	43	43
Am. Stores	31	30	Hill Corp.	80	79	Hill Corp.	44	44	Hill Corp.	44	44
Am. Stores	31	30	Hill Corp.	81	80	Hill Corp.	45	45	Hill Corp.	45	45
Armstrong Wld.	25	25	Hill Corp.	82	81	Hill Corp.	46	46	Hill Corp.	46	46
Assico	25	25	Hill Corp.	83	82	Hill Corp.	47	47	Hill Corp.	47	47
Ashland Oil	25	25	Hill Corp.	84	83	Hill Corp.	48	48	Hill Corp.	48	48
Assoc Dr. Goods	47	46	Hill Corp.	85	84	Hill Corp.	49	49	Hill Corp.	49	49
Atlas Int'l.	22	21	Hill Corp.	86	85	Hill Corp.	50	50	Hill Corp.	50	50
Auton. Prod.	32	31	Hill Corp.	87	86	Hill Corp.	51	51	Hill Corp.	51	51
Avco	26	26	Hill Corp.	88	87	Hill Corp.	52	52	Hill Corp.	52	52
Avery Int'l.	24	24	Hill Corp.	89	88	Hill Corp.	53	53	Hill Corp.	53	53
Avnet	30	30	Hill Corp.	90	89	Hill Corp.	54	54	Hill Corp.	54	54
Avon Prod.	19	19	Hill Corp.	91	90	Hill Corp.	55	55	Hill Corp.	55	55
Baker Int'l.	19	19	Hill Corp.	92	91	Hill Corp.	56	56	Hill Corp.	56	56
Baldy	19	19	Hill Corp.	93	92	Hill Corp.	57	57	Hill Corp.	57	57
East. Gas & El.	22	21	Hill Corp.	94	93	Hill Corp.	58	58	Hill Corp.	58	58
Bank Boston	30	30	Hill Corp.	95	94	Hill Corp.	59	59	Hill Corp.	59	59
Bank of N.Y.	27	27	Hill Corp.	96	95	Hill Corp.	60	60	Hill Corp.	60	60
Bankers Trust N.Y.	38	38	Hill Corp.	97	96	Hill Corp.	61	61	Hill Corp.	61	61
Barney Wright	24	24	Hill Corp.	98	97	Hill Corp.	62	62	Hill Corp.	62	62
Bausch & Lomb	18	17	Hill Corp.	99	98	Hill Corp.	63	63	Hill Corp.	63	63
Baxter Trav.	15	15	Hill Corp.	100	99	Hill Corp.	64	64	Hill Corp.	64	64
Becton-Dickinson	32	32	Hill Corp.	101	100	Hill Corp.	65	65	Hill Corp.	65	65
Bekins Inds.	6	6	Hill Corp.	102	101	Hill Corp.	66	66	Hill Corp.	66	66
Bell Atlantic	60	59	Hill Corp.	103	102	Hill Corp.	67	67	Hill Corp.	67	67
Bell South	23	23	Hill Corp.	104	103	Hill Corp.	68	68	Hill Corp.	68	68
Bell South	24	23	Hill Corp.	105	104	Hill Corp.	69	69	Hill Corp.	69	69
Bell South	25	24	Hill Corp.	106	105	Hill Corp.	70	70	Hill Corp.	70	70
Bell South	26	25	Hill Corp.	107	106	Hill Corp.	71	71	Hill Corp.	71	71
Bell South	27	26	Hill Corp.	108	107	Hill Corp.	72	72	Hill Corp.	72	72
Bell South	28	27	Hill Corp.	109	108	Hill Corp.	73	73	Hill Corp.	73	73
Bell South	29	28	Hill Corp.	110	109	Hill Corp.	74	74	Hill Corp.	74	74
Bell South	30	29	Hill Corp.	111	110	Hill Corp.	75	75	Hill Corp.	75	75
Bell South	31	30	Hill Corp.	112	111	Hill Corp.	76	76	Hill Corp.	76	76
Bell South	32	31	Hill Corp.	113	112	Hill Corp.	77	77	Hill Corp.	77	77
Bell South	33	32	Hill Corp.	114	113	Hill Corp.	78	78	Hill Corp.	78	78
Bell South	34	33	Hill Corp.	115	114	Hill Corp.	79	79	Hill Corp.	79	79
Bell South	35	34	Hill Corp.	116	115	Hill Corp.	80	80	Hill Corp.	80	80
Bell South	36	35	Hill Corp.	117	116	Hill Corp.	81	81	Hill Corp.	81	81
Bell South	37	36									

LONDON STOCK EXCHANGE

MARKET REPORT

Equities bounce from oversold position—biggest ever one-day rise in FT index which jumps 27.6 to 824.5

Account Dealing Dates

Opinions
First Declaration Date
Dealing Days
May 14 June 31 June 1 June 11
June 4 June 14 June 15 June 25
June 18 June 25 June 29 July 9
"New-time" dealings may take place from 9.30 am two business days earlier.

London stock markets staged a welcome rally yesterday and enabled dealers to close their books in a less despondent frame of mind after one of the most traumatic trading sessions on record. Both Government stocks and leading shares rebounded smartly. Measuring the extent of the recovery, the Financial Times Industrial share index recorded its biggest ever one-day rise in points terms with a jump of 27.6 to 824.5.

Although the market recovery was largely technical, fears about the Latin American debt situation, rising short-term interest rates and other recent adverse economic indicators, which have been responsible for the recent collapse in confidence, appeared to have been forgotten for the moment.

Leading shares responded to bear closing in the early stages, with the pace gathering momentum as a little genuine investment interest and buying for "new-time" developed. A firm opening on Wall Street gave a further boost to confidence in the early stages and quotations closed at the day's best.

Underlying sentiment was helped by U.S. Treasury Secretary Donald Regan's remarks on the outlook for U.S. interest rates and by a glimmer of hope in the miners' dispute. However, the oversold position of the market after the unprecedented fall of 125.9 in the FT Industrial Ordinary share index since attaining its all-time peak only just over a month ago was probably the main factor behind the sharp rebound.

The late dealings were enlivened by a jump of 60 to 390 in British Aerospace on news of the revised approach from GEC. The latter added 20 to 182p, while BAe's other suitor, Thorn EMI, rose 22 to 565p.

The sustained recovery in U.S. bonds and the strength in sterling against the U.S. dollar contributed towards the advance in Government securities. Long-dated stocks responded smartly to some fairly persistent demand and closed with rises stretching to 2 points. The shorts were featured by the sale of the authorities remaining supplies of the £50-pd stock, Treasury 9½ per cent Convertible 1989 at

461, this represented a cut of 11 points from the level at which the Government broker last operated in the stock. The FT Government Securities index rose 0.62 to 78.69, its biggest rise since last November.

Clearers rally

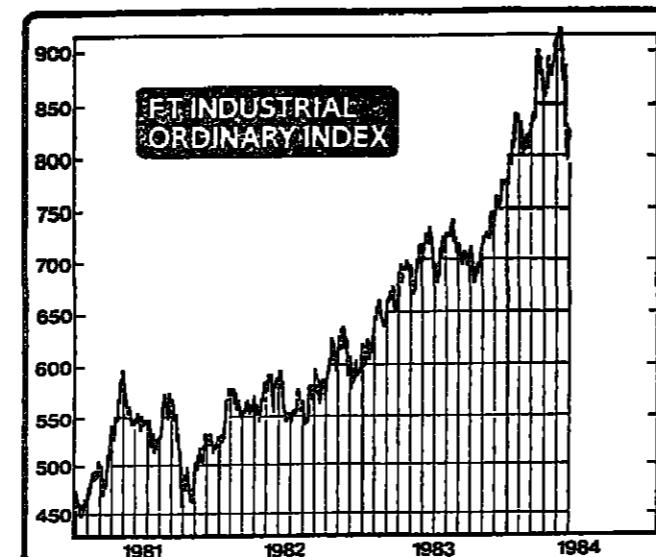
The major clearing banks staged a useful rally with the prospect of an imminent increase in base lending rates helping them shrug aside international debt worries, at least for the time being. Midland recouped 13 to 325p as did Barclays at 455p. Lloyds, which yesterday announced a small increase in personal customer bank charges, closed 11 to 365p. The two NatWests were also sold and one down 10 to 570p. Elsewhere confirmation that the proposed merger between Chatterhouse, J. Rothschild and Hamro Life had been called off in the best interests of their respective shareholders, prompted good gains in both: CJI advanced 6 to 88p and HL closed 20 higher at 383p. Recently beleaguered merchant banks also recovered well with Kleinwort, Benson, 370p, and Mercury Securities, 485p, up 15 apiece. Meanwhile, Minster Assets continued to be supported on takeover hopes and closed 3 further 13 higher at 140p.

Insurances recovered from the general recovery. Among Commercial Generals, Airtex put on 15 in 140p, as did GRE to 550p, while Phoenix gained 10 to 420p. Life issues featured Pearl 15 up at 740p and Legal and General 14 better at 430p.

Despite slightly disappointing April beer production figures, leading Breweries responded to sporadic demand and closed around the day's best. Grand Metropolitan were particularly active and rose 12 to 325p following persistent "new-time" buying. Whitbread, 161p, Allied Lyons, 162p and Bass, 375p, all rallied 5.

An initial tentative rally in Building gained momentum in the session which on the last day was managed to recoup some of the initial losses sustained earlier in the week. Blue Circle rallied 6 to 416p, as did RMC, to 404p. EBB found support and rallied 8 to 288p; the annual results are due at the end of June.

Redland picked up 6 to 258p and Tarmac improved 4 to 442p. Contracting and Construction issues made rather more modest progress. Barratt Developments, a particularly depressed market of late, hardened 4 to 94p. Elsewhere, Burnett and Hallam, 120p, and Maudsley, 110p, rose 10 and 7 respectively. Wearwell rallied 7 to 115p, while fresh support was also evident for Currys, 13 20p, on an investment recommendation.



results are due on June 22. After opening 6 higher owing to technical difficulties, ICI attracted fresh support and, with the rest of the early Wall Street issues, moved steadily higher to close a net 23 up at the day's best of 362p. Recently dull Laporte gained 13 to 441p following the chairman's optimistic statement at the annual general meeting.

Having suffered more than most other sectors in the recent widespread malaise, Stores responded with marked enthusiasm to the improved sentiment and the leaders displayed double-figure gains as in Gussies, 14 dearer at 555p, British Home, 203p, Marks and Spencer, 232p, Burton, 265p, and Habitat Mothercare, 278p, all rallied around 6, the last-mentioned following comment on the prospective future. House of Fraser closed 6 up at 223p, and Lorraine 3 better at 125p on the announcement that the dispute between the two companies, recently culminating in the latter's attempts to pack the Fraser board with new directors, has been referred to the Monopolies Commission. Originally scheduled for June 28 has now been postponed.

Secondary Stores took their lead from major stocks with speculative counters holding the limelight. Alfred Preedy advanced 16 to 121p, while Waring and Gillow, 135p, and Sunnis Clothes, 110p, rose 10 and 7 respectively. Wearwell rallied 7 to 115p, while fresh support was also evident for Currys, 13 20p, on an investment recommendation. Shoes featured revived Booker McConnell, which re-

ceived a bid from food retailer Deen Corporation earlier in the week, continued to trade actively and, at 166p, more than recouped the previous day's fall of 7; Deen moved up 13 to 465p. The bid currently values Booker at 79.5p per share. Among other Foods, Cadbury Schweppes opened lower at 117p on the decision temporarily to postpone the issue of American Depository Receipts in the U.S., but subsequently picked up to close 2 dearer on balance at 122p. Takeover favourite Rowntree Mackintosh put on 10 to 265p, while Tate and Lyle rose 8 to 365p and S. and W. Berksford gained 7 to 175p. United Biscuits firm 7 to 155p following a broker's recommendation. Late support lifted April 11, 155p. Tesco gained 7 to 175p; the annual results are due soon.

Land Securities rose 8 to 264p and MEPC gained 9 to 273p on "dividend buying"; both stocks will bid quoted ex dividend on Monday. British Land met with support and put on 5 to 112p, while Stock Conversion firmed 4 to 322p. Elsewhere, Stockley added 4 to 505 following a broker's recommendation, while Grangeford Trust moved up 15 to 300p on the good half-yearly results.

Oils sharply higher
Events in the Gulf war, both actual and rumoured, continued to dominate oil. Reports that the Iranian oil terminal at Kharq Island had been severely damaged prompted an initial mania which was quickly followed by widespread bear closing and "new-time" buying. Thereafter the market was additionally buoyed by the general trend in domestic equities and continued to gain ground until the late inter-office business when prices closed a fraction of their best levels despite news that Esso have increased forecast petroleum product prices.

Among the domestic oil majors Brittoli were an exceptionally strong market and jumped 18 to 248p while BP rose a similar amount to 498p. Shell closed net 20 to the good at 470p. Ultrafina 15 higher at 600p. Talcott 12 firmed at 212p and LASMO 11 better at 288p.

Pilkington feature
Miscellaneous industrial leaders staged a dramatic recovery and ended a traumatic Account on a firm note. Pilkington jumped 25 to 290p as buyers returned ahead of Tuesday's preliminary results, while Reed International, interim figures scheduled for the same day, retreated 12 to 388p. Unilever advanced 20 to 585p, while improvements of around 10 were seen in BAEs, 315p, BOC, 246p, and Glaxo, 800p. Hanson Trust firmed 8 to 212p ahead of Tuesday's half-year results and Bowater gained 6 to 260p. Elsewhere, Pearson recovered 23 to 503p and Polly Peck picked up 20 to 125p. Meanwhile, Thorn EMI, which have fallen sharply since announcing it was involved in merger discussions with BAE on May 15, rebounded 32 to 565p. The other Electrical leaders also rallied with Plessey 10 dearer at 210p following Press comment. BICC put on 5 to 225p and Racal added 8 at 230p. Elsewhere, computer stocks improved afresh on further consideration of reports that home computer sales in the UK rose by 75 per cent in the first quarter of the year. Applied Computer, 10 in 810p and Acorn added 10 to 145p. BSR advanced 7 to 219p.

Technical considerations and some "new-time" buying interest helped Engineering leaders rally strongly. Hawker jumped 16 to 423p and Vickers improved 8 afresh to 149p. TI put on 12p and 210p. GKN, 168p, and Babcock, 151p, gained 2 and 3 respectively. Elsewhere, Matthew Hall found support at 250p, up 8, while Hopkinson hardened a penny to 106p on an investment recommendation.

Motor Components took up a firmer stance under the lead of Lucas, 185p, and Dewey, 138p, both up 5. Distributors featured strong support of Frank G. Gates which rose 3 for a two-day gain of 8 to a 1984 peak of 59p following news that Gregory Securities holds a disclosable stake in the company.

Widespread uncertainty surrounding the Reuters launch failed to unsettle Fleet. Holdings which advanced 10 to 159p and, more notably, following Press-inspired speculation that Mr Robert Holmes a Court is preparing a full-scale bid.

International Thomson hardened 15 to 800p in belated response to the impressive first-quarter figures. Elsewhere, British Printing and Communication staged a useful recovery and finished 14 to the good at 194p.

Properties made good progress on the reappearance of buyers. Total contracts struck in Traded Options amounted to 5,073 bringing the short week's daily average to 5,357. The FTSE 100 contributed 543 calls and 945 puts. GEC attracted 429 calls, 249 done in the July 180s and 185 puts, while operators returned for Lonrho which recorded 201 calls and 184 puts.

FINANCIAL TIMES STOCK INDICES

	June 1	May 31	May 30	May 29	May 28	May 27	Year ago
Government Secs	78.69	78.07	77.86	78.80	78.15	78.11	82.34
Fixed Interest	82.70	82.48	82.39	82.62	82.56	83.23	82.41
Industrial Ord.	824.5	796.9	803.4	826.2	827.5	830.6	828.6
Gold Mines	688.1	681.3	678.2	680.5	682.6	683.9	682.8
Ord. Div. Yield	4.74	4.84	4.85	4.73	4.72	4.62	
Earnings, Yld & full	11.10	11.47	11.37	11.05	10.95	11.00	11.46
P/E Ratio (est.)	10.82	10.48	10.57	10.90	10.99	11.00	10.91
Total bargains	22,845	21,370	22,420	17,802	21,867	21,681	22,016
Equity turnover £m.	303.48	289.47	201.96	310.04	316.86	220.16	
Equity gains/losses	18,601	15,848	16,114	19,302	18,056	18,000	
Shares traded (mln.)	163.9	172.2	105.2	182.7	178.6	139.1	

10 am 805.3, 11 am 801.7, Noon 826.6, 1 pm 805.4.

2 pm 808.5, 3 pm 811.2.

Basis 100 Govt. Sets, 8/1/58 Fixed 1st 1928 Industrial 1/7/58

Gold Mines 12/7/58 SE Activity 1974

Latest Index 101-245 2026.

*NH = 10.35.

HIGHS AND LOWS S.E. ACTIVITY

	1984	Since Compilat'n	May 31	May 30
	High	Low	High	Low
Govt. Secs	81.77	77.85	127.4	48.18
Fixed Int.	87.41	85.59	155.4	50.35
Industrial Ord.	922.8	770.3	922.8	49.8
Gold Mines	711.7	520.3	734.7	43.8

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, May 31, 1984.

Gold Min. Ind.	+18.38	Industrial Group	+1.6
Oils	+14.40	All-Share Index	+1.6
Brewers and Distillers	+14.16	Stores	+0.58
Newspapers, Publishing	+13.38	Motors	+0.52
Discount Houses	+10.32	Shipping and Transport	+0.22
Mechanical Engineering	+9.39	Capital Goods	+0.17
Insurance Brokers	+8.18	Food Manufacturing	+0.17
Household Household Products	+5.43	Metals and Metal Forming	+0.17
Overseas Traders	+5.43	Other Groups	+0.17
Textiles	+4.72	Electronics	+0.17
Consumer Goods	+4.51	Leisure	+0.17
Industrial Materials	+3.99	Contracting, Construction	+0.17
Mining	+3.87	Plastics and Synthetic Materials	+0.17
Food Retailing	+3.78	Mining Finance	+0.17
Food Processing	+3.78	Financial Group	+0.17
Food Wholesaling	+3.78	Food Retailing	+0.17
Food Manufacturing	+3.63	Packaging and Paper	+0.17
Food Wholesaling	+3.58	Building Materials	+0.17
Food Processing	+3.58	Insurance	+0.17
Food Wholesaling	+3.58	Leisure	+0.17
Food Manufacturing	+3.58	Food Manufacturing	+0.17
Food Wholesaling	+3.58	Food Wholesaling	+0.17
Food Processing	+3.58	Food Processing	+0.17
Food Wholesaling	+3.58	Food Wholesaling	+0.17
Food Manufacturing	+3.58	Food Manufacturing	+0.17
Food Wholesaling	+3.58	Food Wholesaling	+0.17
Food Processing	+3.58	Food Wholesaling	+0.17
Food Wholesaling	+3.58	Food Wholesaling	+0.17
Food Manufacturing	+3.58</td		

INSURANCE & INVESTMENTS MANAGED FUNDS

Financial Life Ass., Cont.	1200-1204	1205-1209	1210-1214	1215-1219	1220-1224	1225-1229	1230-1234	1235-1239	1240-1244	1245-1249	1250-1254	1255-1259	1260-1264	1265-1269	1270-1274	1275-1279	1280-1284	1285-1289	1290-1294	1295-1299	1300-1304	1305-1309	1310-1314	1315-1319	1320-1324	1325-1329	1330-1334	1335-1339	1340-1344	1345-1349	1350-1354	1355-1359	1360-1364	1365-1369	1370-1374	1375-1379	1380-1384	1385-1389	1390-1394	1395-1399	1400-1404	1405-1409	1410-1414	1415-1419	1420-1424	1425-1429	1430-1434	1435-1439	1440-1444	1445-1449	1450-1454	1455-1459	1460-1464	1465-1469	1470-1474	1475-1479	1480-1484	1485-1489	1490-1494	1495-1499	1500-1504	1505-1509	1510-1514	1515-1519	1520-1524	1525-1529	1530-1534	1535-1539	1540-1544	1545-1549	1550-1554	1555-1559	1560-1564	1565-1569	1570-1574	1575-1579	1580-1584	1585-1589	1590-1594	1595-1599	1600-1604	1605-1609	1610-1614	1615-1619	1620-1624	1625-1629	1630-1634	1635-1639	1640-1644	1645-1649	1650-1654	1655-1659	1660-1664	1665-1669	1670-1674	1675-1679	1680-1684	1685-1689	1690-1694	1695-1699	1700-1704	1705-1709	1710-1714	1715-1719	1720-1724	1725-1729	1730-1734	1735-1739	1740-1744	1745-1749	1750-1754	1755-1759	1760-1764	1765-1769	1770-1774	1775-1779	1780-1784	1785-1789	1790-1794	1795-1799	1800-1804	1805-1809	1810-1814	1815-1819	1820-1824	1825-1829	1830-1834	1835-1839	1840-1844	1845-1849	1850-1854	1855-1859	1860-1864	1865-1869	1870-1874	1875-1879	1880-1884	1885-1889	1890-1894	1895-1899	1900-1904	1905-1909	1910-1914	1915-1919	1920-1924	1925-1929	1930-1934	1935-1939	1940-1944	1945-1949	1950-1954	1955-1959	1960-1964	1965-1969	1970-1974	1975-1979	1980-1984	1985-1989	1990-1994	1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	2020-2024	2025-2029	2030-2034	2035-2039	2040-2044	2045-2049	2050-2054	2055-2059	2060-2064	2065-2069	2070-2074	2075-2079	2080-2084	2085-2089	2090-2094	2095-2099	2100-2104	2105-2109	2110-2114	2115-2119	2120-2124	2125-2129	2130-2134	2135-2139	2140-2144	2145-2149	2150-2154	2155-2159	2160-2164	2165-2169	2170-2174	2175-2179	2180-2184	2185-2189	2190-2194	2195-2199	2200-2204	2205-2209	2210-2214	2215-2219	2220-2224	2225-2229	2230-2234	2235-2239	2240-2244	2245-2249	2250-2254	2255-2259	2260-2264	2265-2269	2270-2274	2275-2279	2280-2284	2285-2289	2290-2294	2295-2299	2300-2304	2305-2309	2310-2314	2315-2319	2320-2324	2325-2329	2330-2334	2335-2339	2340-2344	2345-2349	2350-2354	2355-2359	2360-2364	2365-2369	2370-2374	2375-2379	2380-2384	2385-2389	2390-2394	2395-2399	2400-2404	2405-2409	2410-2414	2415-2419	2420-2424	2425-2429	2430-2434	2435-2439	2440-2444	2445-2449	2450-2454	2455-2459	2460-2464	2465-2469	2470-2474	2475-2479	2480-2484	2485-2489	2490-2494	2495-2499	2500-2504	2505-2509	2510-2514	2515-2519	2520-2524	2525-2529	2530-2534	2535-2539	2540-2544	2545-2549	2550-2554	2555-2559	2560-2564	2565-2569	2570-2574	2575-2579	2580-2584	2585-2589	2590-2594	2595-2599	2600-2604	2605-2609	2610-2614	2615-2619	2620-2624	2625-2629	2630-2634	2635-2639	2640-2644	2645-2649	2650-2654	2655-2659	2660-2664	2665-2669	2670-2674	2675-2679	2680-2684	2685-2689	2690-2694	2695-2699	2700-2704	2705-2709	2710-2714	2715-2719	2720-2724	2725-2729	2730-2734	2735-2739	2740-2744	2745-2749	2750-2754	2755-2759	2760-2764	2765-2769	2770-2774	2775-2779	2780-2784	2785-2789	2790-2794	2795-2799	2800-2804	2805-2809	2810-2814	2815-2819	2820-2824	2825-2829	2830-2834	2835-2839	2840-2844	2845-2849	2850-2854	2855-2859	2860-2864	2865-2869	2870-2874	2875-2879	2880-2884	2885-2889	2890-2894	2895-2899	2900-2904	2905-2909	2910-2914	2915-2919	2920-2924	2925-2929	2930-2934	2935-2939	2940-2944	2945-2949	2950-2954	2955-2959	2960-2964	2965-2969	2970-2974	2975-2979	2980-2984	2985-2989	2990-2994	2995-2999	3000-3004	3005-3009	3010-3014	3015-3019	3020-3024	3025-3029	3030-3034	3035-3039	3040-3044	3045-3049	3050-3054	3055-3059	3060-3064	3065-3069	3070-3074	3075-3079	3080-3084	3085-3089	3090-3094	3095-3099	3100-3104	3105-3109	3110-3114	3115-3119	3120-3124	3125-3129	3130-3134	3135-3139	3140-3144	3145-3149	3150-3154	3155-3159	3160-3164	3165-3169	3170-3174	3175-3179	3180-3184	3185-3189	3190-3194	3195-3199	3200-3204	3205-3209	3210-3214	3215-3219	3220-3224	3225-3229	3230-3234	3235-3239	3240-3244	3245-3249	3250-3254	3255-3259	3260-3264	3265-3269	3270-3274	3275-3279	3280-3284	3285-3289	3290-3294	3295-3299	3300-3304	3305-3309	3310-3314	3315-3319	3320-3324	3325-3329	3330-3334	3335-3339	3340-3344	3345-3349	3350-3354	3355-3359	3360-3364	3365-3369	3370-3374	3375-3379	3380-3384	3385-3389	3390-3394	3395-3399	3400-3404	3405-3409	3410-3414	3415-3419	3420-3424	3425-3429	3430-3434	3435-3439	3440-3444	3445-3449	3450-3454	3455-3459	3460-3464	3465-3469	3470-3474	3475-3479	3480-3484	3485-3489	3490-3494	3495-3499	3500-3504	3505-3509	3510-3514	3515-3519	3520-3524	3525-3529	3530-3534	3535-3539	3540-3544	3545-3549	3550-3554	3555-3559	3560-3564	3565-3569	3570-3574	3575-3579	3580-3584	3585-3589	3590-3594	3595-3599	3600-3604	3605-3609	3610-3614	3615-3619	3620-3624	3625-3629	3630-3634	3635-3639	3640-3644	3645-3649	3650-3654	3655-3659	3660-3664	3665-3669	3670-3674	3675-3679	3680-3684	3685-3689	3690-3694	3695-3699	3700-3704	3705-3709	3710-3714	3715-3719	3720-3724	3725-3729	3730-3734	3735-3739	3740-3744	3745-3749	3750-3754	3755-3759	3760-3764	3765-3769	3770-3774	3775-3779	3780-3784	3785-3789	3790-3794	3795-3799	3800-3804	3805-3809	3810-3814	3815-3819	3820-3824	3825-3829	3830-3834	3835-3839	3840-3844	3845-3849	3850-3854	3855-3859	3860-3864	3865-3869	3870-3874	3875-3879	3880-3884	3885-3889	3890-3894	3895-3899	3900-3904	3905-3909	3910-3914	3915-3919	3920-3924	3925-3929	3930-3934	3935-39

INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

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MINES—Continued

1984	High	Low	Stock	Price	+/-	No.	Wk	CW	YTD	1984	High	Low	Stock	Price	+/-	No.	Wk	CW	YTD
18	24	22	WACM 20c	14						18	24	22	WACM 20c	14					
28	35	32	WALDIE Expl. NL	14						28	35	32	WALDIE Expl. NL	14					
38	40	38	WAVO Oil & Minerals	14						38	40	38	WAVO Oil & Minerals	14					
48	49	48	WAVO Oil & Minerals	14						48	49	48	WAVO Oil & Minerals	14					
58	60	58	WAVO Oil & Minerals	14						58	60	58	WAVO Oil & Minerals	14					
68	70	68	WAVO Oil & Minerals	14						68	70	68	WAVO Oil & Minerals	14					
78	79	78	WAVO Oil & Minerals	14						78	79	78	WAVO Oil & Minerals	14					
88	90	88	WAVO Oil & Minerals	14						88	90	88	WAVO Oil & Minerals	14					
98	100	98	WAVO Oil & Minerals	14						98	100	98	WAVO Oil & Minerals	14					
108	110	108	WAVO Oil & Minerals	14						108	110	108	WAVO Oil & Minerals	14					
118	120	118	WAVO Oil & Minerals	14						118	120	118	WAVO Oil & Minerals	14					
128	130	128	WAVO Oil & Minerals	14						128	130	128	WAVO Oil & Minerals	14					
138	140	138	WAVO Oil & Minerals	14						138	140	138	WAVO Oil & Minerals	14					
148	150	148	WAVO Oil & Minerals	14						148	150	148	WAVO Oil & Minerals	14					
158	160	158	WAVO Oil & Minerals	14						158	160	158	WAVO Oil & Minerals	14					
168	170	168	WAVO Oil & Minerals	14						168	170	168	WAVO Oil & Minerals	14					
178	180	178	WAVO Oil & Minerals	14						178	180	178	WAVO Oil & Minerals	14					
188	190	188	WAVO Oil & Minerals	14						188	190	188	WAVO Oil & Minerals	14					
198	200	198	WAVO Oil & Minerals	14						198	200	198	WAVO Oil & Minerals	14					
208	210	208	WAVO Oil & Minerals	14						208	210	208	WAVO Oil & Minerals	14					
218	220	218	WAVO Oil & Minerals	14						218	220	218	WAVO Oil & Minerals	14					
228	230	228	WAVO Oil & Minerals	14						228	230	228	WAVO Oil & Minerals	14					
238	240	238	WAVO Oil & Minerals	14						238	240	238	WAVO Oil & Minerals	14					
248	250	248	WAVO Oil & Minerals	14						248	250	248	WAVO Oil & Minerals	14					
258	260	258	WAVO Oil & Minerals	14						258	260	258	WAVO Oil & Minerals	14					
268	270	268	WAVO Oil & Minerals	14						268	270	268	WAVO Oil & Minerals	14					
278	280	278	WAVO Oil & Minerals	14						278	280	278	WAVO Oil & Minerals	14					
288	290	288	WAVO Oil & Minerals	14						288	290	288	WAVO Oil & Minerals	14					
298	300	298	WAVO Oil & Minerals	14						298	300	298	WAVO Oil & Minerals	14					
308	310	308	WAVO Oil & Minerals	14						308	310	308	WAVO Oil & Minerals	14					
318	320	318	WAVO Oil & Minerals	14						318	320	318	WAVO Oil & Minerals	14					
328	330	328	WAVO Oil & Minerals	14						328	330	328	WAVO Oil & Minerals	14					
338	340	338	WAVO Oil & Minerals	14						338	340	338	WAVO Oil & Minerals	14					
348	350	348	WAVO Oil & Minerals	14						348	350	348	WAVO Oil & Minerals	14					
358	360	358	WAVO Oil & Minerals	14						358	360	358	WAVO Oil & Minerals	14					
368	370	368	WAVO Oil & Minerals	14						368	370	368	WAVO Oil & Minerals	14					
378	380	378	WAVO Oil & Minerals	14						378	380	378	WAVO Oil & Minerals	14					
388	390	388	WAVO Oil & Minerals	14						388	390	388	WAVO Oil & Minerals	14					
398	400	398	WAVO Oil & Minerals	14						398	400	398	WAVO Oil & Minerals	14					
408	410	408	WAVO Oil & Minerals	14						408	410	408	WAVO Oil & Minerals	14					
418	420	418	WAVO Oil & Minerals	14						418	420	418	WAVO Oil & Minerals	14					
428	430	428	WAVO Oil & Minerals	14						428	430	428	WAVO Oil & Minerals	14					
438	440	438	WAVO Oil & Minerals	14						438	440	438	WAVO Oil & Minerals	14					
448	450	448	WAVO Oil & Minerals	14						448	450	448	WAVO Oil & Minerals	14					
458	460	458	WAVO Oil & Minerals	14						458	460	458	WAVO Oil & Minerals	14					
468	470	468	WAVO Oil & Minerals	14						468	470	468	WAVO Oil & Minerals	14					
478	480	478	WAVO Oil & Minerals	14						478	480	478	WAVO Oil & Minerals	14					
488	490	488	WAVO Oil & Minerals	14						488	490	488	WAVO Oil & Minerals	14					
498	500	498	WAVO Oil & Minerals	14						498	500	498	WAVO Oil & Minerals	14					
508	510	508	WAVO Oil & Minerals	14						508	510	508	WAVO Oil & Minerals	14					
518	520	518	WAVO Oil & Minerals	14						518	520	518	WAVO Oil & Minerals	14					
528	530	528	WAVO Oil & Minerals	14						528	530	528	WAVO Oil & Minerals	14					
538	540	538	WAVO Oil & Minerals	14						538	540	538	WAVO Oil & Minerals	14					
548	550	548	WAVO Oil & Minerals	14															



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FINANCIAL TIMES

Saturday June 2 1984



MAN IN THE NEWS

Destined to remain apart

BY MICHAEL HOLMAN

"IF HE WERE female, he would arrive in Parliament on a broomstick," Mrs Helen Suzman, the veteran opposition MP, once remarked of her arch rival Mr P. W. Botha before he became South African Prime Minister.

It is the sort of brickbat which the man who arrives in London today, spearheading the Republic's biggest diplomatic initiative for 40 years, has positively courted throughout his career.

PW—or "Die Wapen"—as he used to be called in tribute to the 14 years he spent as Minister of Defence, building up the country's military arsenal—is a tough, professional politician.



P. W. Botha who arrives in London today

Yet the man who always enjoyed a reputation as an administrator as well as a thinker, has presided over the most remarkable period in South African domestic and foreign relations since his party came to power in 1948, bringing him into Parliament as the Member for the sleepy coastal resort town of George.

In the space of the past year, the white electorate has adopted a new constitution which, for the first time will bring Indians and Coloured people (of mixed race) into a tri-cameral assembly in September; has watched its government force formal or de facto non-negotiation pacts with its black neighbours; and has seen the hitherto monolithic Afrikaner power-base of the National Party become bitterly divided.

His critics argue that the constitutional "de-polarisation," with no provision for the country's black majority, is almost irrelevant to the country's problems. Nor, they say, will these problems go away simply because Pretoria has coerced an unmeasurably weaker neighbour into reluctantly submitting to it.

But when Mr Botha meets Mrs Margaret Thatcher for lunch at Chequers, on the 18th, he will nevertheless be better equipped to argue the Republic's case than any Prime Minister since Jan Smuts spoke on equal terms with Winston Churchill.

Few would have predicted that the aggressive, short-tempered man who became prime minister in 1978 in the wake of a scandal that shook the ruling party would have reached this point. Although his power base has remained in the Cape throughout his political career, his conservative instincts appeared at odds with that province's reputation as the home of Afrikaner "orthodoxy." He gave no hint of the reformist tone of today when, in the early 1950s, the then the party's chief organiser in the province, he supported the removal of Cape Coloureds from the common electoral roll.

Yet within a year of becoming Prime Minister, Mr Botha was warning white South Africans that they must "adapt or die." In an unprecedented act for a National Party leader, he made a personal visit to Soweto, Johannesburg's 1.5-million-strong black-only, sprawling dormitory city.

Having won a comfortable two-thirds Yes vote in his constitutional referendum, Mr Botha is in a position to take his country further along the path of reform. He is expected to take on Gaullist-style powers as executive State President. But it is still far from certain that he will actually use these powers to move away from the grand design of apartheid which seeks to relocate the overwhelming black majority to 10 ethnic "homelands."

Although Mr Botha will undoubtedly make much of his recent external diplomatic success in southern Africa, which have won him his invitations to London, Lisbon, Rome and elsewhere, the toughest question he will face in those capitals remains: What will happen within your borders, Mr Botha?

Kinnock speaks out as pit strike violence flares

BY PHILIP BASSETT, LABOUR CORRESPONDENT

VIOLENCE FLARED again yesterday during picketing at the Orgreave coking works near Sheffield. A number of policemen were injured — one being repeatedly kicked on the ground by pickets — during a police operation to haul injured miners to safety.

Mr Neil Kinnock, the Labour Party leader, last night condemned the continued violence in the strongest terms. His statement reflects Labour's concern that the violent scenes shown on television are damaging the party's standing.

"There is no place in any industrial dispute in Britain for missiles, battering rams or any other implement or act of violence," he said. Real strength came from peaceful protest and picketing while resorting to other methods gave advantage to the political enemies of Labour and the trade union movement, he said.

At Orgreave, police said there were up to 4,000 pickets yesterday, the largest number seen there so far. However, a further 70 lorries of coke left the plant for British Steel's works at Scunthorpe with no difficulty.

Trouble broke out in the morning at the first convoy of 20 lorries pulled out of the gates. Police had been gathering for some time after a steady stream of miners was increased by flying pickets who had been stopped by police from travelling to Derbyshire and Nottinghamshire.

The police also built up their largest presence so far at the plant with officers standing 10-

THE NATIONAL Coal Board is to set up "enterprise trusts" in partnership with the Manpower Services Commission and the private sector to aid redundant miners to set up their own businesses, writes John Lloyd, Industrial Editor.

The board is likely to see its primary role in the trusts which, it is hoped, will be established by late summer, as providing advice, land and buildings. However, it is expected to put aside modest amounts which could be used as seedcorn capital.

The idea came from Mr Ian MacGregor, the NCB chairman and is evidently aimed at allaying miners' fears that a closure programme would leave mining areas stripped of employment opportunities.

deep. More than 2,000 were deployed, with another 500 in reserve.

Pickets from the middle of the crowd pushed forward, charging the police lines, which held against the onslaught. As police pushed back, stones were thrown, and the first of 19 arrests was made.

A small number of police became detached from the main force because the front-line pickets had been pushed into the main police ranks, while some pickets caught in the middle of the crowd fell and had to be rescued by police giving the kiss of life.

Six police became stranded among the pickets. Hand-to-hand fighting broke out and Sgt

Pension board, Page 4

Ronnie Robertson from Greater Manchester fell and was kicked repeatedly. He was later detained in hospital with multiple bruises and a possible dislocated shoulder.

Police broke ranks to rush out to aid their colleagues, hitting out at the pickets, while mounted police charged the miners in a successful effort to restore order.

The police also broke ranks to move in front of other officers trying to revive crushed pickets. One policeman three times applied mouth-to-mouth resuscitation to an injured miner.

Another picket who was pushed to the ground was later detained in hospital with a suspected fractured skull. In all, 11 pickets and two police officers were injured.

In the afternoon, numbers dwindled to only a token picket force of about 200.

No coke deliveries are due to be made from the plant over the weekend. Workers at the plant were told yesterday that the transport union, to which they belong, hoped to have talks shortly with all parties concerned to try to reach a deal to ease the tension.

Mark Meredith, Scottish Correspondent, writes: The Coal Board yesterday warned that part of the British colliery in Fife was in danger of collapse. The strike has already been blamed for the closure of Bogside colliery, also in Fife, due to flooding, while two other pits, at Castlehill, part of the Longannet complex in western Fife and Barony in Ayrshire are also said to be in danger.

The operation raised to 49 per cent the stake in Dragon held by Prutech, the high-technology arm of Prudential Assurance, which has invested more than £2m in the company in equity, loans and guarantees. Other major shareholders include the Welsh Development Agency and the National Water Council.

Mr Brian Moore, who moved from GEC to become Dragon's managing director last year, blamed the company's problems on poor Christmas sales, which left it with excess stocks of its older machines.

The company hopes to launch three small computer products later this year. One of these, a pressure pad control for minicomputers, is being financed separately by Prutech, which may decide to have it made by a manufacturer other than Dragon.

Tycom, which is based in London, claimed its computer was "future-proofed," meaning it could be continuously modernised after purchase.

Mr Alan Timpany, its founder and managing director, is the single largest shareholder. Other shareholders are County Bank, part of National Westminster, and a group of unnamed City investors.

County Bank, which acquired 13 per cent of Tycom at a cost of £250,000, said the Microframe had experienced severe competition from the IBM personal computer. Tycom had also suffered from a drop in sales of Apple computers, which it distributes in Britain.

Hambro Life, said fund management would probably offer one of the first opportunities.

Together, the companies manage funds worth £60m for clients and there would be scope for linking Hambro Life's extensive customer base throughout Britain with Charterhouse's business expansion scheme and venture capital clients.

The full merger has been called off because, Mr Weinberg said: "We found that the two groups have very different financial characteristics."

"Looked at on a broad level,

Hambro Life is a company valued strictly on its earnings. RIT & Northern is valued as an investment trust, on asset values, while Charterhouse Group is valued primarily by reference to dividends.

Charterhouse J. Rothschild and Hambro Life call off merger

BY RAY MAUGHAN

THE LARGEST financial services merger of the year so far was formally called off yesterday as Charterhouse J. Rothschild, the investment management, merchant banking and stockbroking group, said it was no longer planning full integration with Hambro Life Assurance, Britain's biggest unit-linked assurance company, which trades as Hambro Life.

Both sides presented the parting as an entirely amicable agreement, and separation will be by no means complete.

The two groups had been discussing a merger since February and in April revealed their hopes of forming a broadly spread financial services conglomerate which would have been valued at about £1bn.

Mr Mark Weinberg, founder and chairman of Hambro Life, said yesterday: "We entered

an engagement had intended to enter a formal marriage. But now intend to have a formal liaison."

Mr Jacob Rothschild, his opposite number at Charterhouse J. Rothschild, which was set up only five months ago on the merger of RIT and Northern, the investment group, and Charterhouse Group, the merchant bank, added: "We are now looking at various ways of cementing links."

The "keystone" of those is the 24.8 per cent stake in the insurance company for which CIR paid Hambro Bank £60m in cash and issued 55m shares as the first stage of the envisaged merger.

A joint committee of senior executives from each group is to examine ways of keeping close contact. Mr Sidney Lipworth, deputy chairman of

Hambro Life, said fund management would probably offer one of the first opportunities.

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GEC loses battle for Singapore deal

BY CHRIS SHERWELL IN SINGAPORE

GENERAL ELECTRIC COMPANY OF THE UK has lost a last-ditch battle to wrest a \$320m (241m) subcontract from Mitsubishi Electric of Japan for power systems for rolling stock on Singapore's mass rapid transit urban rail system.

The subcontract is the biggest of several which are part of the \$855.5m rolling stock contract won in April by Kawasaki

Heavy Industries and three other Japanese partners.

Last night, another British company, Westinghouse Electric and Signal, part of Hawker Siddeley, was still fighting to edge out Knorr-Bremse of West Germany for the \$81.8m brakes contract. Westinghouse captured the \$81.7m signalling contract in January.

The decision in favour of

Mitsubishi Electric, to be an

ally of the ruling party, to be an